

Saturday Night

Canada's Magazine of Business and Contemporary Affairs

JUNE 22ND 1957 20 CENTS

Do Immigrants Bring A Mental Health Problem To Canada?

BY BRIAN CAHILL

Algeria: Pride Without Prejudice

BY MAXWELL COHEN

Teaching Johnny To Lose Money

BY JEAN TWEED

Quick Profits For Smart Traders

BY R. M. BAIDEN



Stratford's Lafleur: Page 16

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Beverley
Nichols



Beverley Nichols' literary career began at Oxford where, as well as being President of the Union, he was Editor of the *Isis*. His first publication was *Prelude*, an English public school novel written when he was 21. *Twenty-one*, published soon afterwards, was his autobiography, to which he added a second autobiographical volume, *All I Could Never Be*, in 1949.

Perhaps the most popular of all his work has been the series known as Beverley Nichols' Garden Books.

Mr. Nichols has written SATURDAY NIGHT's regular "Letter from London" since 1952. (See Page 34).

Jean
Tweed



Mrs. Tweed has been a reporter, broadcaster, panellist and business manager and is now a farmer. She attended the University of Manitoba, married Tommy Tweed in 1941; they have a daughter, Terry, 14 and a son David, 11. In 1953 the Tweeds bought a 150-acre farm and now have a Holstein dairy herd and a herd of purebred Yorkshire swine which they raise for breeding stock. Mrs. Tweed sees a peril in education on Page 12.

J. A. H.
Hunter



Author of SATURDAY NIGHT's "puz-zler" series and the popular newspaper feature "Fun with Figures". He has also written the book *Fun With Figures* recently published in Toronto (Oxford, \$2.25). J. A. H. Hunter is a retired Royal Navy Commander now happily settled in Canada. He is doing much to popularize the lighter aspects of maths.

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Letters

Silent Riot?

Sentimentalized, melodramatized life stories of old-time movie favorites leave me as cold as they do Mary Lowrey Ross. Wouldn't it be wonderful if we could break free of biography and revive Biography instead! . . . I understand there's to be a Famous Film Festival during the Shakespearean season at Stratford, Ont. this summer. Why not offer one program each week featuring a real laugh riot from the silent film days of forty years ago? Think of the material: Keystone Cops, Harold Lloyd, early Chaplin, Buster Keaton, Fatty Arbuckle, even some Laurel & Hardy. This would give old-timers a real field day. As for the young people, they would probably derive some enjoyment from the experience of laughing at us laughing.

WINNIPEG

MILDRED ROBB

Bermuda Opportunity

Your article on Bermuda and its Canadian community interested this occasional visitor to that pleasant little spot. There is one important lack in Bermuda's service to tourists and that is clean, quick, inexpensive restaurants of the coffee-shop type. Downtown Hamilton could do with a couple; it would also be nice to find one in St. George's after a sightseeing round. It seems to me that this could be a promising new business opportunity for some Canadians with experience in food and restaurant work—and with a desire, like Jimmy McFadden and his fellow expatriates, to escape forever from snow, ice and overshoes.

MONTREAL

J. N. TAYLOR

Authors' Taxes

I was interested in the concluding paragraph of "Your Taxes" in SATURDAY NIGHT, on "Authors". I am, however, a trifle puzzled by the penultimate paragraph. What becomes of the other one third of the amount? I would greatly appreciate clarification on this.

GARDENVALE, QUE.

E. L. CHICANOT

Editor's Note: Mr. Chicanot's letter refers to the method of computing income on the sale of a literary, dramatic, musical or artistic work. If the profit is required to be included in income, it may be spread over two or three years depending on the period during which the work was produced. The paragraph should have read as follows:—

"If the period exceeded two years, then one-third of the amount may be included in each of: (1) the year of receipt; (2) the immediately preceding year, and (3) the second preceding year."

Automation

It is heartening to read the intelligent approach taken by John A. Irving in the article "Can Machines Replace Minds". Public ignorance of the basic facts behind automation may, perhaps in the near future, lead to mass hysteria. But if magazines and newspapers placed this great technical advance in its proper light, instead of trying to compete with the science fiction comics, most people would consider automation a marvel instead of a mystery.

TORONTO

W. J. BROWN

Thank you for your re-assurance: "the most complex electronic machine yet devised has a 'brain' that approaches in the number of neurons the brain of an earthworm". I was beginning to worry . . .

VANCOUVER

LISA WILLIAMS

Mao's Tender Trap

Most of us tend to mock Communist methods as cruel and calculating. But William Stevenson has done an excellent job of proving that Mao's philosophy is working. Perhaps our politicians could learn one important lesson from this system—to admit their mistakes to the public and take what is coming to them . . .

OTTAWA

WILLIAM STRONG

William Stevenson's article forces me to believe that Mao is the man to watch. He seems to have perfected the Communist system to a much finer degree than his 'big brother' in Moscow . . .

WINNIPEG

R. J. LITTLE

Early Financing

Mr. Meyer's last paragraph in the article on Canadian Tabacofina is quite intriguing. He quotes Mr. Paré to the effect that the company plans to let the Canadian public in when the company has shown it merits support.

This is an interesting viewpoint. But it seems to this observer a good case could be made for letting the public in as soon as possible. After all, it has shown by its support of such things as the speculative

SATURDAY NIGHT

mining market that it is willing to take chances. Certainly a cigarette company would seem a better risk than a promoter's opinion.

Mr. Paré's statement evidences concern that a potential stock buyer's investment be a sound one. On the other hand, allowing wide public participation as soon as possible would be an effective way to help the company become successful.

LONDON, ONT.

J. MCDONALD

What Car?

I wish to call your attention to a rather startling omission in your Who's Who In Business (Ernest Seitz). It seems to me in the past you have taken great pains to inform us just what type and year of automobile is driven by your particular subject.

This time, however, there was no mention. You carefully identify Mr. Seitz as vice-president of "Canada's largest Chevrolet dealer"—and then don't tell us what kind of car he drives. Is it a Ford?

MONCTON

A. S. E. RICHARDS

Editor's note: Mr. Seitz drives a Chevrolet — and a Cadillac.

Common Market

Three cheers for your article on the European common market and Canadian trade. It's about time somebody said something intelligent in this best-of-all-possible worlds the twentieth century of which belongs to Canada. Hah! Let us hope the rose colored smog through which most business commentators peer with a sort of determined myopia chokes them.

SASKATOON

A. E. LEGRAND

Now, with both the United States and the United Kingdom relying more and more on nuclear weapons, the NATO military idea is obsolete. If Russia dared to attack West Europe—and the Russians clearly realize this—the retaliation would be not with conventional but with atomic weapons. In the space of a week, Europe would be destroyed, and the NATO army along with it . . . As for the idea of binding the NATO members with economic and cultural bonds, that idea was always complete nonsense. The culture and the economies are far too diverse. West Europe is now on the right track with its steady movement towards a Common Market. If the stubborn British can forget their insularity long enough to realize where their future lies, the European Common Market, and later some sort of federal union, will restore Europe to greatness and Communism will not be a serious threat . . .

OTTAWA

D. J. HARWELL



Royal Bank Manager in Trinidad* sees cigarettes in the making

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Ottawa Letter

by John A. Stevenson

A Baffling Year Ahead

THE MILLS of the gods grind slowly but they grind exceedingly small. The devastating rebuke which the voters of Canada have administered to the Liberal Party restores their credit for political wisdom and re-establishes a decent equilibrium in Canadian politics.

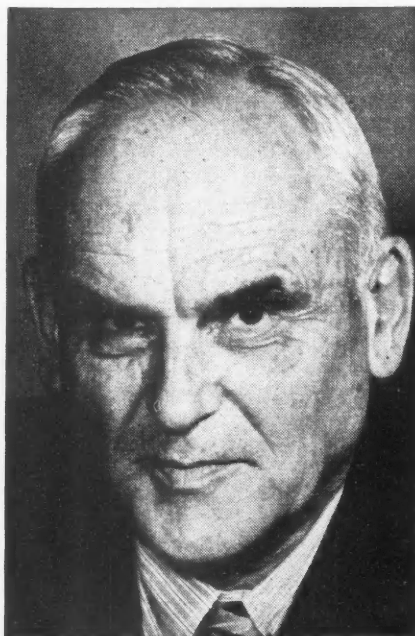
The huge majority of the Liberals has gone where the woodbine twineth and, while their support in Quebec and Newfoundland has not undergone any serious erosion, they have suffered disastrous reverses in all the other provinces. Worst of all their parliamentary representation from the western provinces, which used to supply the party with its most vitalizing force, has been reduced to a negligible rump. Almost half of the Cabinet including veteran ministers like Mr. Howe and Mr. McCann have bitten the dust and the first meeting after the election will be a sorrowful gathering.

The decisive factor in the tremendous disaster which has befallen the Liberal party, was its folly, born of arrogance, in providing the Progressive-Conservative party with a real issue which harmonized with its basic traditions, namely the conservation of Parliamentary democracy and the right of free discussion in Canada. Mr. Diefenbaker, employing with convincing vigor his experienced skill as a jury lawyer, sustained a prosecution of the Government on this count all through the campaign and achieved a great personal triumph in securing from the voters an overwhelming verdict of "guilty". It was very creditable to their intelligence that they spurned the shallow thesis of Mr. Pickersgill and other apologists of the Government that it had merely used closure in the debate over the pipe line to frustrate facetious opposition to a beneficial national project. They used their ballot to condemn actions which struck at the roots of our system of democracy and were a shameless departure from the true traditions of liberalism.

The defeat of Mr. Howe is a sad end to the career of a great public servant, but there was an element of rough justice in it as his notorious contempt for British Parliamentary procedures led him to be the prime architect of his party's downfall. But equal blame attaches to Prime Minister St. Laurent, who as leader of

the House of Commons, had a special duty to keep its traditional right of free discussion inviolate. But time and again he has given indication of a very imperfect appreciation of the basic principles of parliamentary democracy. He has betrayed signs of a belief that the views of a transient majority in parliament were all that mattered and that minorities who resisted Ministerial measures should be given short shrift.

Mr. St. Laurent cut rather an inglorious figure during the campaign. When the electioneering techniques of blessing



Rt. Hon. C. D. Howe: Rough justice.

school children and giving "folksy" talks at whistlestops about Canada's wonderful prosperity under Liberal rule, which had proved so successful in 1949 and 1953, proved outmoded weapons for vote-getting, he had no effective substitutes for them. He conveyed the impression to the public that he had become what the Scots call "an old bletherer".

Moreover Liberal boasts that Canada was bursting at the seams with prosperity exasperated a multitude of farmers who felt that their share of the mounting national income remained woefully inadequate. Their discontent with the agricultural policies of the Government was

reflected in the loss of many rural seats held by the Liberals. Furthermore the longish catalogue of the Government's sins of omission and commission, and particularly its conduct over the pipe line, convinced many former supporters of the Liberal party and independents that it had been too long in power for its own or the country's good and that a spell in the shade of opposition would help to produce a salutary revival of its enfeebled morale.

The CCF, in a political climate which was singularly unfavorable for the success of socialist propaganda, just held its own and despite its numerical weakness will remain a formidable group in parliament by reason of its high average of parliamentary ability.

The Social Crediters retained most of their seats in their original stronghold of Alberta but made no real headway in British Columbia and their much touted crusade to challenge the older parties in eastern Canada proved a complete fiasco.

The picture which emerges from the election is that the Progressive-Conservatives will form the largest party in the new House of Commons but will fall short of a clear majority. The result is a very complicated and baffling situation which poses a desperate problem for poor Mr. St. Laurent. With the parliamentary representation of Liberalism in the House of Commons reduced to a very narrow basis, he can no longer contend that his party is the sole truly national party.

Moreover about half of his cabinet have lost their seats and would have little stomach for by-elections, even if Liberal members who have been elected would give up their seats to the defeated ministers, and there are few survivors of ministerial calibre from the Liberal debacle. Then the Prime Minister is due to attend at the end of this month a conference of Prime Ministers of the Commonwealth in London and he can hardly profess to hold a mandate from the Canadian people to represent them at this meeting. Of course he is entitled to meet Parliament and try to secure a vote of confidence in his Government but the popular condemnation of its record has been so clearcut that he will have difficulty in securing it.

So the chances are that he will throw in his hand and tender his resignation to the Governor-General. The latter would then call upon Mr. Diefenbaker to form a Ministry and his troubles would begin immediately. Doubtless he would try to strike a bargain with the CCF and the Social Crediters through which his Ministry would be permitted to govern for at least one session. But his position at the mercy of minority groups would become so uncomfortable that he would in all likelihood ask for another dissolution within a year in the hope that he could secure a decisive mandate.

The campaign, which preceded the vot-

ing, was much livelier than its two predecessors and the Government had to cope with an attack from different quarters which was vigorously sustained till polling day. One revelation of the contest was that radio broadcasts and appearances on TV were much less effective agencies for vote-getting than had been expected and that the majority of voters wanted a chance to hear the political leaders on platforms and, in this fashion, make an appraisal of their personalities.

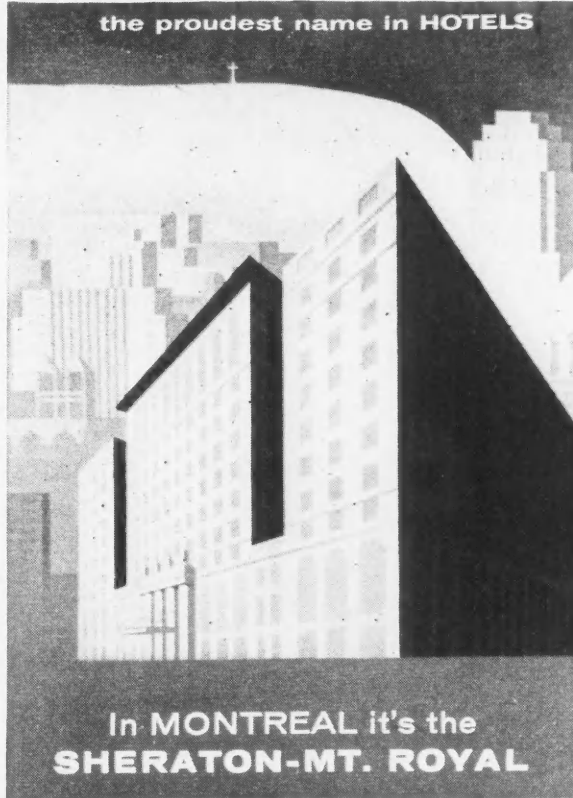
After the election of 1953 Prime Minister St. Laurent was acclaimed by his admirers as the peer of Franklin Roosevelt as an artist in electioneering, but his reputation in this role emerges much battered from the late campaign. His stubborn refusal to take any coaching in radio and TV technique left him a fumbling amateur on the air, whose stilted reading of prepared scripts bored his audiences.

On the Progressive-Conservative side the prodigious energy and adroit skill with which Mr. Diefenbaker conducted his campaign converted many hostile critics in his own party to a better appreciation of his merits as a leader. He undertook a tremendous program of travelling and speechmaking and, if he laid himself open to the charge that the fulfilment of all his lavish promises could not be squared with his promise to reduce taxation, the vigor of his indictment of the Government convinced many waverers of its validity. All through the election he occupied the spotlight for his party and the utterances of his lieutenants received scant attention in the press. Mr. Coldwell was also an effective critic of the Government, but said little about the Socialist program of his party. Mr. Solon Low sullied himself by continuing his silly criticisms of the Canada Council.

The Liberals had the advantage of a very lush campaign fund. Such was its richness that they were able to allot \$25,000 to each seat held by a Minister and a similar sum for attack on seats held by Tory *bêtes noires* like Mr. W. M. Hamilton of Montreal. No money was wasted on seats rated impregnable but for most of the other seats \$10,000 was made available. Senator Croll, who has charge of the Liberal campaign in the Toronto area told Liberal candidates in it that all their demands for funds would be promptly met and in one division of Toronto the Liberal spent five times as much on posters as his Tory opponent and was equipped with a plane to hover over the constituency and tell his tale through a loudspeaker. In Saint John, Mr. Riley, the Liberal candidate could afford lavish displays of fireworks and the distribution of balloons and toys to children all over the city. But from the central fund of the Progressive-Conservative party, the average candidate only got about \$1,000.

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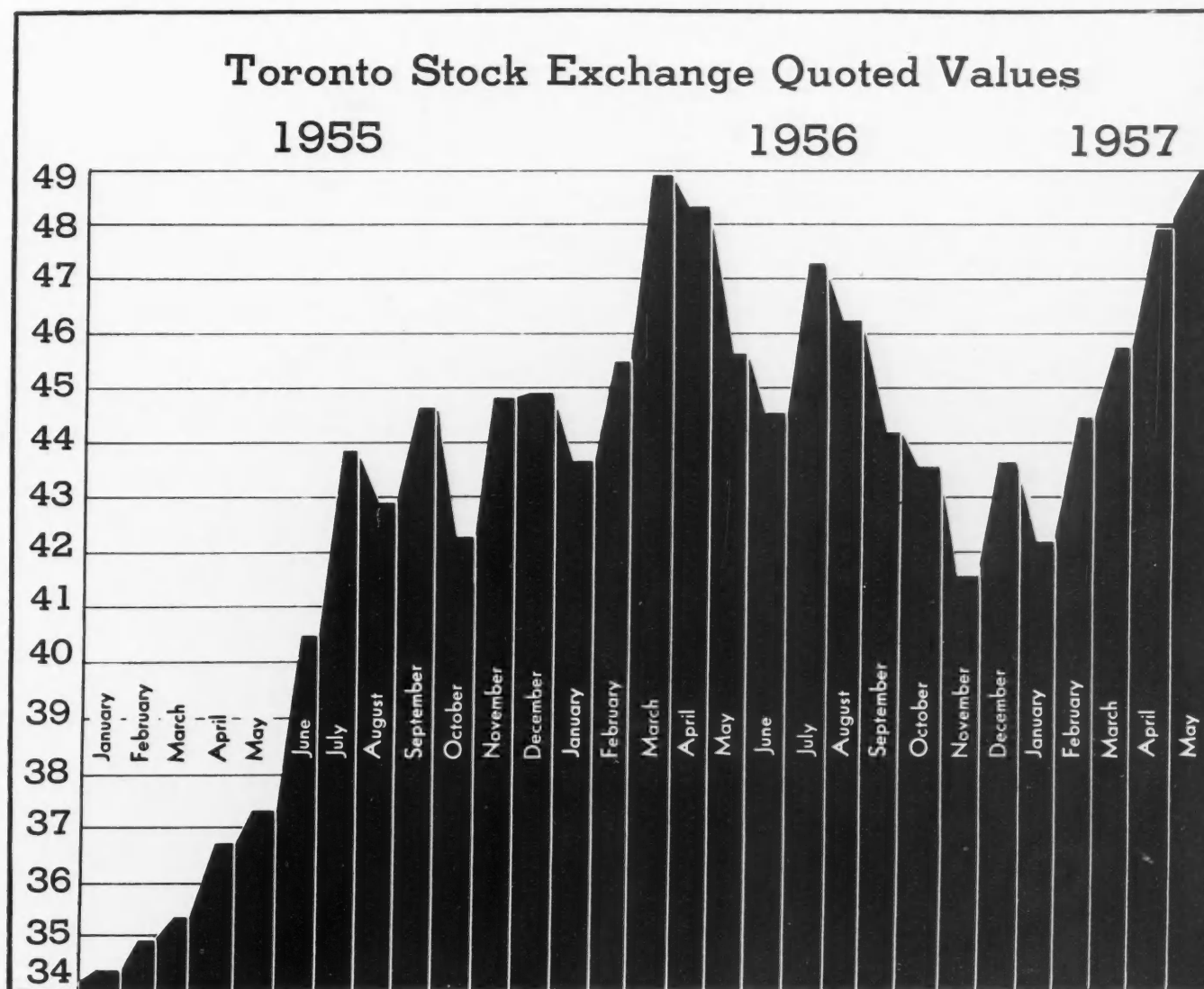
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Saturday Night



Total value of the more than 1,100 stocks listed on the Toronto exchange in billions of dollars. Listings embrace some 580 industrials, 550 mines and oils and about 10 U.S. firms including GM and Chrysler Corp.

Quick Profits for Smart Traders

by R. M. Baiden

TAKE A CAREFUL look at your stock market holdings for this year's second half. Remember that what goes up also comes down.

That, in capsule form, is the sentiment along Toronto's Bay Street. It doesn't mean that the "wise money" boys are expecting a big market drop but it does mean they think most money-making on price rises will be the result of some pretty fast-stepping situation-finding. Most profits will probably come from astute short-selling.

There are general and particular points to support this view:

In general, stock market activity usually dries up in

CONTINUED ON PAGE 38



Swift transition by air. "In practically unbroken sequence stress has followed upon stress".

Do Immigrants Bring a Mental H

SINCE THE END of the Second World War Canada has taken in about 1½ million immigrants of all kinds. And she is continuing to receive them at a rate of about 120,000 per year.

This is a feat to which the Department of Citizenship and Immigration points with quite justified pride. Particularly impressive has been the smoothness of the operation. So many immigrants from so many countries seem to have settled down so quickly as conforming, productive Canadian citizens who seem at least as happy as the average North American that it all seems too good to be true.

And perhaps it is not true.

There are responsible medical men, perceptive social workers and others close to the immigration picture who believe that Canada is being entirely too casual, too complacent about her immigrants. They believe that there is urgent need for a long-range, well-thought-out program to follow up present short-term reception and job-placement activities — and with particular attention to the mental health of the immigrants and their families.

We edge here into an area highly charged with emotion. Many people, particularly those of us who are ourselves recent immigrants to Canada, would resent strongly any suggestion that there is more mental illness or emotional instability among immigrants than among the general population. And, of course, no responsible person would wish to provide ammunition for those few "native-born" whose active and intense dislike of immigrants is a symptom of their own unhealthy state of mind.

But a problem in regard to the mental health of our

immigrants does exist and must be faced. Otherwise there is a real possibility that the immigrant population, many of them survivors of terrible experiences and most of them having at least some difficulty in adjusting to a strange environment and to new ideas and customs, may form a pool of mental ill-health that will add greatly to our already impressive total problem in this respect.

Some time ago the Canadian Medical Association *Journal*, spokesman for organized medicine in Canada, took the matter up in a careful editorial which referred to studies of the mental health of immigrants to Australia and to similar but more limited studies made here.

Neither the Australian nor the Canadian studies found evidence of a greater incidence of mental illness among immigrants when they arrived in their new country than among the general population of that country. But they did find some evidence that after the immigrants have been in the country for a few years the incidence of mental illness among them begins to move upward.

This is not surprising.

It is a well-known fact that people — men, women and children — may function adequately and even heroically under conditions of severe stress so long as that stress is maintained. But when the stress is over a reaction sets in and emotional breakdown may occur just when the challenge lessens or the goal is in sight.

The Canadian Medical Association *Journal* makes two observations in this connection:

"First the experience of medical officers and others in wartime shows that so long as a severe stress situation is maintained in intensity a man may continue to function adequately, whereas when the stress is over reaction

Responsible medical men, social workers, believe that we can be much too casual and complacent.

by Brian Cahill

Language barriers add to confusion. Sometimes trouble hits young people.



tal Health Problem to Canada?

sets in which may involve a serious breakdown and even death. Second . . . studies of grief show that a lapse of time measurable in years may occur between the initial distressing event and the overly acute reaction to it."

Now it is an undoubted fact that a large proportion of the immigrants who have come to Canada since the end of the Second World War have been through very difficult times.



Despite helping hands, "paranoid states are twice as frequent among immigrants against native-born".

"By all normal standards," to quote the CMAJ again, "these circumstances are judged to be harsh in the extreme — involving the disruption of some or all of what are generally agreed as being the most elementary conditions of mental and physical health.

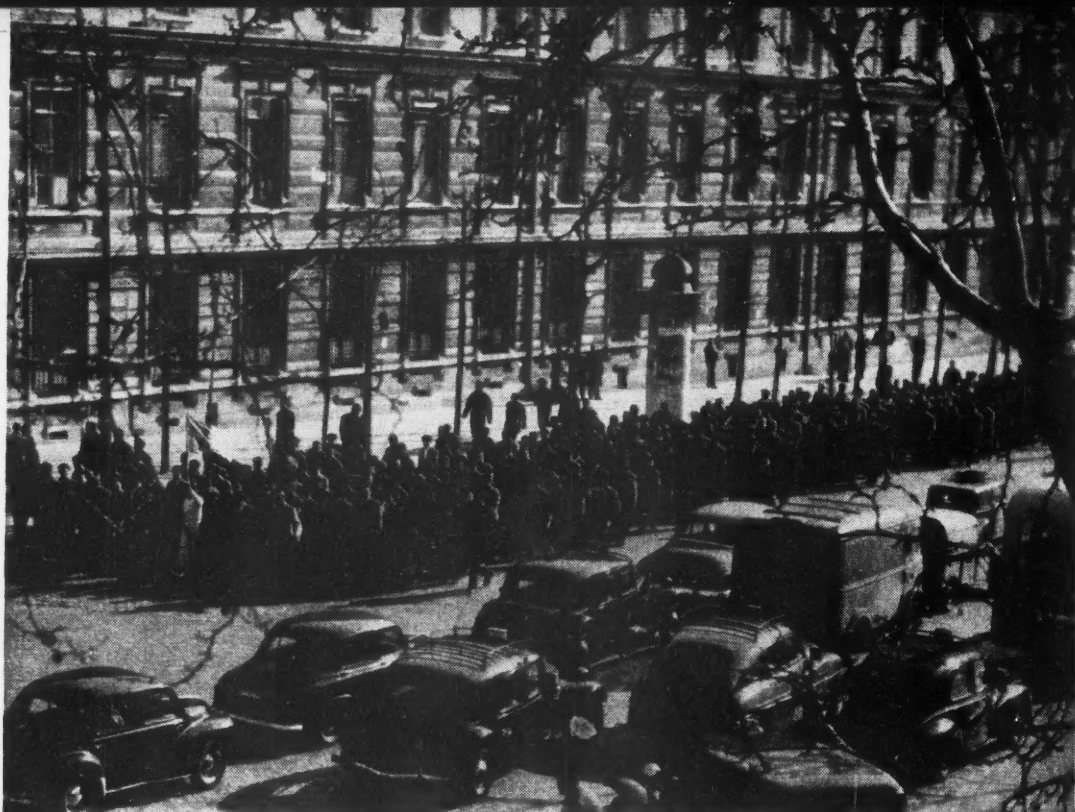
"In practically unbroken sequence stress followed upon stress. And not the least severe of the stresses is that involved in moving to a foreign country. In this move previous insecurities instead of being overcome, may on the contrary be overlaid with new and more subtle ones."

These remarks referred mainly to the so-called "Displaced Persons" who came here from Eastern Europe and Germany. But they apply to some extent also to many of the refugees who have come here from Hungary in the past year or so. It is true that most of the Hungarians did not experience the prolonged period in concentration or D.P. camps nor the brutal persecution that many of the earlier immigrants went through. But the conditions under which they left their country and came to Canada were certainly not ideal. Some of them, after a period of being buoyed up by the tremendous exhilaration of the revolution and the further excitement of getting settled in a new country, may now begin to show signs of the delayed reaction mentioned above.

According to Red Cross and Travellers' Aid officials about 10 per cent of Hungarian refugees now in Canada are turning up with special problems over and above the normal difficulties of adjustment to different customs, values and languages.

This is not a large number — a total of slightly over

CONTINUED ON PAGE 33



France has lost another Premier. Riots take place in a capital city politically split.

ALGERIA: Pride Without Prejudice

by Maxwell Cohen

Canadians have a special concern for the French colonial dilemma which is today a dramatic and bitter experience.

IT IS A TRAGEDY for France, for her Nato allies, for the people of Algeria and indeed, for all states of good will that violence and terror should bloody the path of political settlement between France and the largest member of her North African family.

The recent massacres at Melouza, the assassinations of pro-French Algerian Arabs in the very centre of Paris and the recurring crises in French politics that leave Algeria hanging like a billowing shroud over the demise of governments, all speak of the need for urgency in bringing the grim story to an end. But perhaps the saddest aspect of all this many-faceted problem is the bitter irony that France, the most orchidaceous flower of European society, should find death and hatred the reward for reviving a people and a land that were it not for French energy and example might have continued "crumbling into dust"—to use Lyautey's phrase.

For of all the colonial powers that have sought to both exploit and "civilize" the peoples of Asia and Africa during the past three centuries, perhaps France more than any, has tried to "assimilate" her charges, to make Frenchmen out of them in their tastes and stan-

dards. Perhaps more than Britain, and certainly more than the Germans (before 1914), or the Dutch or the Belgians—the remaining colonial powers of our day—France has been able to assert the pride of western power and leadership without the prejudice of color so that "White" France was never a barrier to assimilating, in a deeply cultural sense, the yellow, the brown and the black members of this the second greatest colonial system of our time.

Canadians value France as one of the major European inspirations for their own bi-cultural society. Canada is itself the product of political evolution to independence. We have a special concern, therefore, for the French colonial dilemma of which Algeria is today the most dramatic and bitterly unresolved experience. Yet even the more relevant facts are not too widely known. Indeed, some of our confusion has been the result of the French claim that Algeria is as much a department of metropolitan France as Ain or Pas-de-Calais. Therefore, argue the French with that inevitable logic which may be their undoing, Algeria is a problem only for France and there can be no legitimate interest by the United

Nations or by friendly states gingerly proposing good offices.

On matters of colonial policy Canadians, as members of the Commonwealth, tend to be much less naive than Americans and much less willing to write off the French effort in Algeria as the deserved liquidation of exploiters. For the great lesson of the Commonwealth perspective in viewing the modern colonial problem is the extent to which the "colonizers", imperial or republican, did make a lasting constructive contribution to, and a change in, the lives of the peoples over whom they exercised power.

It is too late to sing of the white man's burden and to expect it to become a catchy tune, but it is never too late to play loud and well the chords of historical truth and among these truths is the sharp fact that Africa and Asia are emerging to effective independence and would

not yet have reached this present state of readiness for self-government had not the British, the French, the Dutch and the others taught the elementary lessons of order and economy.

Nevertheless it is worth examining why and how this most sophisticated of European peoples, the French, with the disaster of Indo-China so recently behind them, and with their late successes in evolving new relationships with Morocco and Tunisia, should at the same time be failing in Algeria with such sad consequences for France and Algeria alike.

Algeria was a dusty ruin in 1830 when the French first came. By 1848 France was sufficiently entrenched to include the northern coastal plain into the metropolitan scheme of government and to begin European

CONTINUED ON PAGE 36



Suspects are arrested even in the hearts of Algerian cities and terrorism is now everywhere. The cost in blood and fortune is immense. A basic problem is that Algeria is a French homeland.



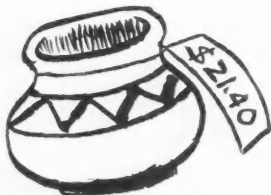
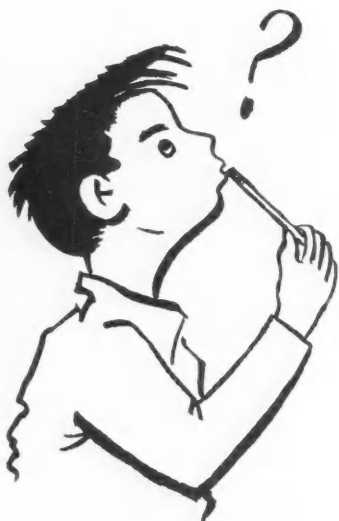
Native living conditions are crowded and miserable. Food is sold from baskets in the Casbah of Algiers.



The civilian home guard is always on the alert but grim death strikes from innocent post boxes.

TEACHING JOHNNY TO LOSE MONEY

by Jean Tweed



THE CHARACTERS in our son's Grade IV arithmetic textbook are practical little people. In my day, amateur decorators were constantly busy measuring rugs (with a border 2 feet wide; none of that wall-to-wall carpeting), laying tile floors and papering over windows. Today, however, the book has Mary, John, Jane and Fred figuring the price of rubber boots, the cost of school lunches and the number of unreturned library books. If it doesn't do anything else it should show these little blighters where most of father's paycheque goes.

However, on pages 97-98 there are several problems that make me wonder if we had better go back into the carpeting business. These questions have not only arithmetical and economic interest but a deep social significance. The thought of the future Governor of the Bank of Canada, for instance, learning at his teacher's knee the precepts embodied in these questions, gives reality to the gloomy pictures of a catastrophic depression we sometimes see prophesied in the newspapers — noticeably in the Conservative papers after a rise in corporation tax.

The thing starts off innocently enough. "The children in Joan's grade made some pottery, and they had many problems to solve. Can you solve these problems?" (Manners are improving anyway. In my day it just said flatly, "Solve the following questions.")

"1. The children collected money to buy some clay. On Monday they brought \$2.88. On Tuesday they brought \$1.95. How much did they have then?"

Not enough evidently. They are \$2.17 short of the seven bucks the teacher says they need. She sends the kids home to con the rest out of father and by Wednesday they get under way. The United Appeal Fund should pay good money to get Miss Lane's collecting methods.

Things begin to roll in Question 3. The class has bought 126 lbs. of clay which it promptly divides into 3 lb. pieces. This gives 42 pieces and since in Question 4 it is established there are only 29 pupils, it seems Miss Lane is guilty of over-buying. But that's hardly unusual among Canadians, although not an example to be propounded to the younger set. It also occurs to me that 126 lbs. is an awful

Thirty years ahead Johnny will be running the country — disaster faces us if he puts into practice the financial principles he is taught.

lot of clay for \$7.00; maybe they got a cut-rate for buying in bulk. Or else since the book was first printed in 1936, the editors have forgotten to divide the purchasing power in half. Anyway we now have 39 lbs. of wasted clay, unless some 13 kids are inveigled into taking on 6 lbs. instead of 3. Knowing Miss Lane's methods, she could probably manage it, at that.

Well, although things are pretty confused, the pressure of work lets up and in Question 6 we go off on a tangent. Specifically, we go to a pottery works. Miss Lane has evidently arranged with the parents to take the kids on a 224-mile round trip. Not only that, but the parents went out the long way (126 miles) and came back a shorter way (98 miles). I must say I can't blame anyone taking a shortcut home. Twenty-nine youngsters in cars for 224 miles would almost make me think of chartering a plane. At any rate Miss Lane has now finagled an extra 28 miles per car out of the parents.

At this point I began to do a little figuring not mentioned in the book. Reckoning about 5 people to a car, we have 29 children, Miss Lane and the drivers. It took seven cars for this convoy (two cars have 6 people in them). This makes a total mileage of $7 \times 224 = 1568$ miles. Supposing they average 16 miles to the gallon and gas at 42 cents per gallon (we'll throw in the oil and wear and tear), it cost \$41.16 for gasoline. Then add lunches, dinners, ice cream cones, pop and dimes for the rest rooms. Why, I bet the whole trip cost close to \$100 — and since Miss Lane on her salary surely couldn't pony up that kind of money, guess who did?

We've left the children at the pottery long enough. The next two Questions, 8 and 9, deal with doings at the kiln. It was a busy day, for at one point we find ourselves doing some pretty fancy mathematics with 714 ghastly bowls, half of which are red (how many are green?) It doesn't say specifically but somewhere among those 714 must be the children's bowls, since even Miss Lane couldn't get 714 bowls out of 126 lbs. of clay. But I'd lay a small wager she got the kids' bowls fired for free.

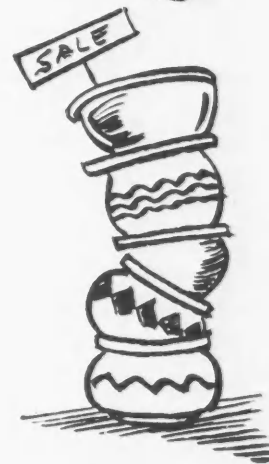
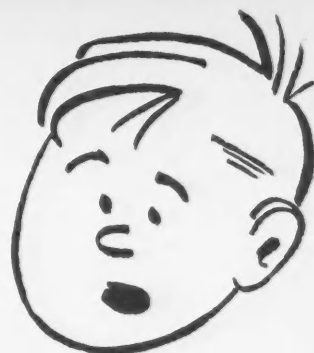
Now we come to the final Question — TEN. It was this question with its doubtful philosophy that caused me to delve so deeply into the whole matter.

But before I let you in on Question 10, I'd like to sum up the position as of now. The class has spent about \$107, it has 39 lbs. of left-over clay, and has travelled a total of 196 unnecessary miles (unless you consider the whole trip wasted, and you'd have a point.) It has, indeed, assets to the tune of 29 red and green bowls.

Question 10 says: "The class sold 5 of the bowls they made for \$1.35 in all. How much was that for each bowl?" (Singular subject and a plural pronoun?)

The only answer to Question 10 that Miss Lane will accept is 29 cents. But you can see that each of these 29 bowls cost \$3.72 (take your answer to the nearest second decimal). And since there was a market for only five, each of those 5 bowls should have sold for \$21.40. That doesn't take into account the leftover 39 lbs. of clay either. Total loss on the whole undertaking amounts to \$105.65 or 99.4 per cent. And guess who paid the \$1.35 for the bowls that did sell? You've got it!

When you consider that 30 years from now, Joan, Fred et al will be running this country, it gives pause for reflection. Or does it? Maybe it is later than we think. Maybe all the time it was Miss Lane who was advising C. D. Howe during the Pipeline arrangements.



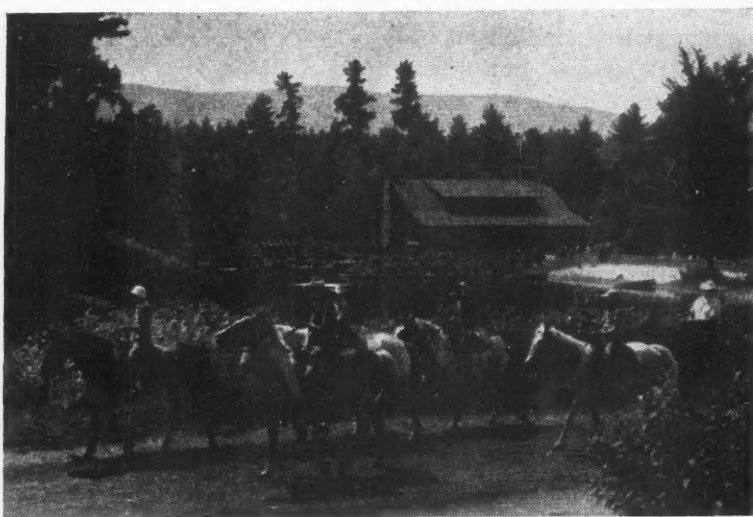
Travel

Across the Border In New York State

*Linked by history to Canada:
a region of mountains, lakes,
beaches and big city bustle.*



Towering spires of St. Patrick's Cathedral add a touch of Gothic grace to New York's famous Fifth Avenue.



The daily horseback ride is one of the popular activities at dude ranches in the Lake George area, a favorite spot for vacationers.



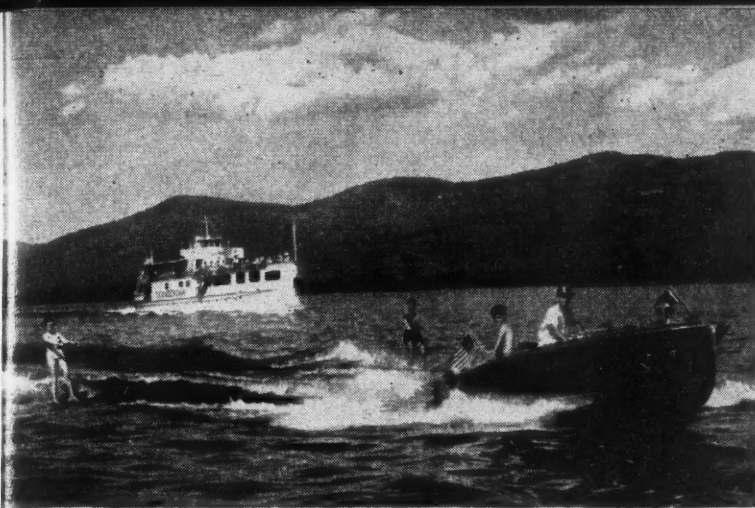
Baseball Museum at Cooperstown has many unusual sports exhibits.



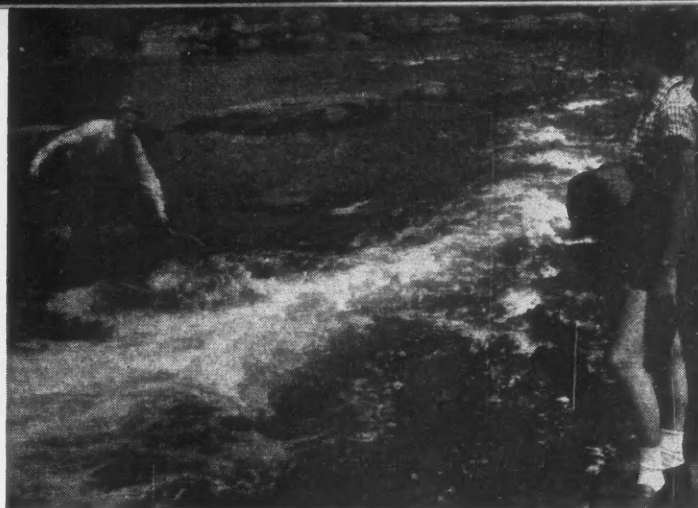
This 600 ft. canyon is just one of the spectacular sights at colorful Letchworth Park, N.Y.

At Storytown, visitors can see life-size models of famous nursery rhyme scenes.





A sight-seeing boat which plies the 30-mile length of Lake George enables visitors to see water skiing near the shore.



The Adirondacks are known for excellent trout streams. Fishermen enjoy pleasant scenery on the Ausable River.

ASK ANY TWELVE Canadians back from a vacation in New York State about the brightest feature of their trip and you'll get a dozen different answers. One will recall New York's Adirondack Mountain country with its high peaks and pine-scented slopes; another will speak glowingly of the big-city glamour that marks New York City. A third will describe the sun-warmed sandy beaches on Long Island, the state's maritime province, while a fourth will urge you not to miss any of New York's historic sites.

In New York State's fifteen vacation regions there are ample and comfortable accommodations, a network of modern highways—more than 86,000 miles of them—a highly efficient transportation system and activities for every member of the family. There are major league baseball games, horse racing, theatre presentations, night clubs and art museums. You can enjoy swimming in clear blue lakes or in Atlantic Ocean surf, golf over some of the finest eighteen-hole layouts in the East, and test your skill at both salt and fresh water fishing.

Rugged mountain scenery, scores of resort communities, more than 200 lakes, over a square mile in area, and hundreds of streams keynote the Adirondack-Champlain vacation region, directly south of the Province of Quebec border. The area contains hundreds of mountains, forty-six of them more than 4,000 feet high, thirty-one public campsites and more than 500 miles of hiking trails.

Nestled among the Adirondacks are a number of tourist attractions—the famed Ausable Chasm, a deep gorge of the Ausable River near Keeseville; Enchanted Forest at Old Forge; Fort Ticonderoga; Frontier Town north of Schroon Lake; the Land of Makebelieve at Upper Jay, and North Pole, N.Y., near Wilmington. A scenic toll road, Whiteface Memorial Highway near Lake Placid, offers bird's-eye views of the surrounding countryside.

To the west of the Adirondacks, separated from Canada by the St. Lawrence River, lies New York's

CONTINUED ON PAGE 30



At Hyde Park, books, model ships, pictures and other mementos can be seen at the Franklin D. Roosevelt National Historic Site.



Guided tours through the United Nations Bldg. lure thousands of fascinated tourists each year.



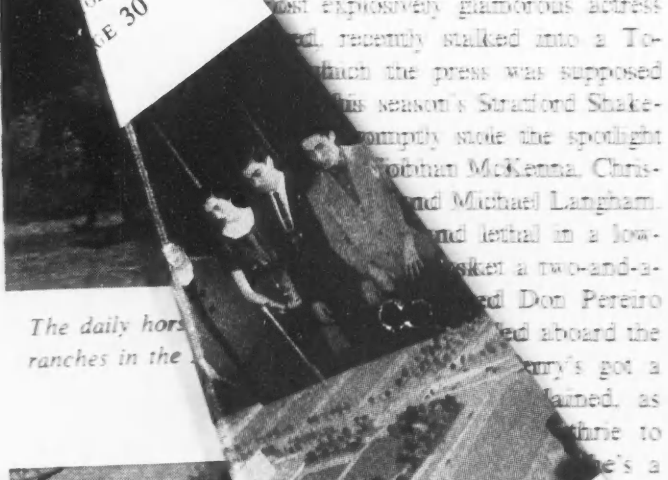
Stratford's Joy Lafleur

by Frank Rasky

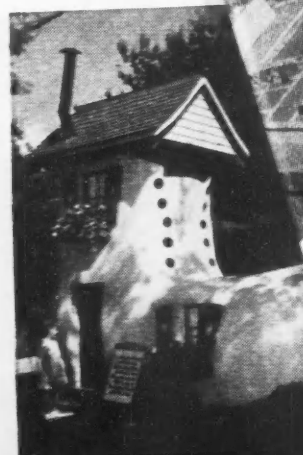
*"The grand manner,
back in the golden
era of the theatre."*

*will light up the Festival with the excitement and
fire of a Canadian star who is aware that she is a star.*

Can-
York's
E 30



The daily hors
ranches in the



the United Nations Bldg.
sinated tourists each year.

15

When she was about to be introduced to Miss McKenna, who stars as Viola in the second Stratford production, *Twelfth Night*, she hissed jocularly in a theatrical *sotto voce*. "What am I supposed to do — curtsy?" And as the reporters hovered about Miss Lafleur, fluttering to replenish her glasses of vodka and tonic, she stunned them with an imperious, "Darlings, for God's sake! Stop breathing up my arm pits!"

When the party ended, with Lafleur erupting into a raging tantrum, Guthrie turned glacially to Langham. "Tut-tut," he said. "Miss Lafleur must learn that, at Stratford, she won't be performing in the English provinces." He shook his head, mystified. "Why, she acts like a star in the grand manner, back in the golden era of the theatre."

Actually, Miss Lafleur has been behaving like a *grande dame* of the theatre ever since she began kicking up her heels and singing Noel Coward ballads as "Miss Junior League," in the *Junior League Revue*, at His Majesty's Theatre in Montreal 24 years ago. Now, having gained stature in films and TV in Hollywood over the past three years, she has emerged as an electric personality of 43 with a built-in spotlight. She is bound to light up the Stratford Festival's new \$1,500,000 theatre this July



"Everything about her is exaggerated. She's always 'on' but it is not a calculated pose."

with the excitement and fire of its first bona-fide Canadian female star who is constantly aware that she is a star.

Christopher Plummer, who recommended her to play Gertrude opposite his 27-year-old Hamlet, admiringly remembers her performance years ago, as the Duchess of Marlborough, in the Montreal Repertory Theatre production of *The Vice-Roy Sarah*.

"She's dead right for the role of Queen," Plummer says. "Onstage, she has a haughty beauty. She has the same regal bone construction as a Marlborough. She's young enough to suggest the slight touch of incest that John Barrymore first played up in his Hamlet opposite Gertrude. Offstage, after you get used to the initial, outrageous shock of her F. Scott Fitzgerald manner and biting wit, you love Joy for her honesty and heretic charm. Everything about her is exaggerated. She's always 'on', but it's not a calculated pose—because she was born to be 'on'."

Langham has no qualms about her ability to play Gertrude as an exotic *tour de force*. After interviewing 20 actresses for the role unsuccessfully, he began an exchange of wires with Miss Lafleur in Hollywood. "I'll read for you, if you'll meet me half way," she wired back, "in some place like Split Lip, Idaho." They finally settled for the Gladstone Hotel on 52nd Street in New York, with Plummer present to read lines opposite her.

"But Langham foxed me," Miss Lafleur recalls. "I expected him to have me do the passionate closet scene with Hamlet. Instead, he craftily had me read the gentle scene Gertrude has with Rosencrantz and Guildenstern."

Langham says, "It's rather difficult to put this tact-

fully. But Miss Lafleur, as a performer, has the absolutely feminine, impulsive approach, uncluttered by intellect, I see in Gertrude. The Queen is a woman of the womb, rather than of the head. She's had unsatisfactory relations with her first husband, who was puritanical and righteous. A warm, voluptuous woman, she's thrown herself into the arms of the unscrupulous Claudius. Miss Lafleur is able to portray this mother—close to her only son—on a last, ripe fling. The only thing Miss Lafleur lacks is plenty of flesh. However, her costume will be full-busted, the colors staggering, and Miss Lafleur eminently flamboyant."

Another director, Leo Orenstein, who once rehearsed her for his own play, *The Big Leap*, recalls vividly her stunning performance as the Virgin Mary in a two-hour CBC-TV production of *The Nativity*.

"I have a soft spot for Joy," Orenstein says. "She's marvellous when she has a role right for her. She's no Method actress. She works from the outside in, rather than from the inside out."

Orenstein regards her personally as a "left-over" from the Jazz Age—a kind of female John Barrymore. "No hypocrite," he says, "she has the courage to deflate windbags who bore her. If you offer to buy Joy a coffee, she'll wisecrack, 'No, I'm the last of the big-time spenders'. Once I remember asking her,

CONTINUED ON PAGE 36



"Stop breathing up my arm pits."



Changes from partnerships can be tricky.

A principle of law is that a taxpayer is entitled to arrange his affairs not to attract taxation.

When to Incorporate a Business

by Garfield P. Smith, CA

FROM TIME TO TIME, many individuals are confronted with the problem of whether or not they should incorporate their business. Apart from any other considerations, there are many important income tax factors which should be looked into.

One of the principles of income tax law is that a taxpayer is entitled to arrange his affairs so as not to attract taxation. A corporation frequently enables a taxpayer to arrange his tax affairs to advantage.

The proprietor of a business is taxed on the profits of the business before his salary is accounted for, regardless of the amount he takes out.

If his business is incorporated, he will pay tax personally on his salary from the business, and the corporation will be taxed on any remaining profits.

It follows, therefore, that where a proprietor of a business withdraws amounts closely approximating the earnings of the business, it matters little, from the point of taxes, whether or not the business is incorporated.

Where a substantial position of the profits are retained in the business, then the total tax liability in the case of a corporation could vary considerably from that of a proprietorship. Quite often the shareholder's salary in a corporation can be adjusted to advantage.

For example, if the corporation showed little or no profit before the shareholder's salary, a salary could be paid that would be just big enough to be offset by the shareholder's personal exemptions. The shareholder would not be subject to tax and the corporation would have a loss which could be deducted from income of another period.

Where the profits of the corporation would otherwise exceed \$20,000, the shareholder's salary can frequently be adjusted to reduce the corporation profits to \$20,000. In this way the higher rate of tax applicable to corporation profits in excess of \$20,000 can be avoided. Care should be taken, however, to see that the shareholder's salary does not become unreasonable in relation to the services performed, and also that the salary is not high enough to place the shareholder in a tax bracket which is higher than the maximum corporation rate.

Quite often, a wife may be employed in the business. For income tax purposes, in a proprietorship, no deduction may be made from her husband's income in respect of remuneration paid to her, regardless of the extent of the duties she may perform. Under a corporate structure, however, both husband and wife can be employees of the corporation and be paid salaries commensurate with

their duties, and thus avoid the higher tax bracket which would apply if all the income were taxed in the hands of one person.

Where corporation profits are large, and the shareholder wishes to withdraw as salary substantially all of such profits, there is the danger of a portion of his salary being disallowed as excessive or unreasonable. Where this situation is apparent, a reasonable salary can be paid, and the remainder paid out as a dividend. The following is a method of minimizing the tax on such dividends.

Fifty per cent of the amount available for dividends should be declared and paid by cash in the normal manner. The shareholder will be required to pay his normal tax on such dividend at his maximum rate plus a surtax of 4% on part of his investment income. A deduction can then be made from his tax equal to 20% of the dividend. After payment of the cash dividend, the company may elect to pay a tax of 15% on an amount equal to the dividend paid. Upon payment of the tax, the balance of the amount remaining may be paid as a stock dividend in the form of preferred shares. If this procedure is followed, the stock dividend is tax free on receipt by the shareholder. The preferred shares may then be redeemed at par without any additional tax liability.

Where it is intended to incorporate a business that had formerly been carried on either as a proprietorship or partnership, care should be taken to ensure that the charter is dated not later than the date on which it is intended to start operations as a limited company. For example, you may wish to operate as a corporation from July 1, 1957 but there may be some delay in obtaining your charter so that it is dated, say, September 1, 1957. When you file a corporation income tax return for the year ended June 30, 1958 you will find that the income for July and August will be taxed in your hands personally rather than in the hands of the corporation, and in addition you will not be permitted to claim depreciation for the two month period.

Another factor to be considered on incorporation is that the rate of tax applicable to the profits of limited companies is 20% on the first \$20,000.00 and 47% on the excess. During the first year of operation, if it is apparent that the income of the corporation will exceed \$20,000, you may close your first fiscal period before \$20,000 has been earned. In this way, more of the corporation income will be taxed at the low rate. Normally, this advantage may only be taken once, because your fiscal year-end may not be changed subsequently without the consent of the Minister of National Revenue.

Ever drink a label?



Last time, we served them my favorite wine—Canadian "74" Sherry—but I covered the label with my hand. Posy used the word 'delightful'. Jack said it had 'character'.

They're good sports—and "74" fans now, too. They agree now that the important thing is not the label on the bottle, but the wine in the bottle.

Bright's Wines
fine Canadian Wines
SINCE 1874

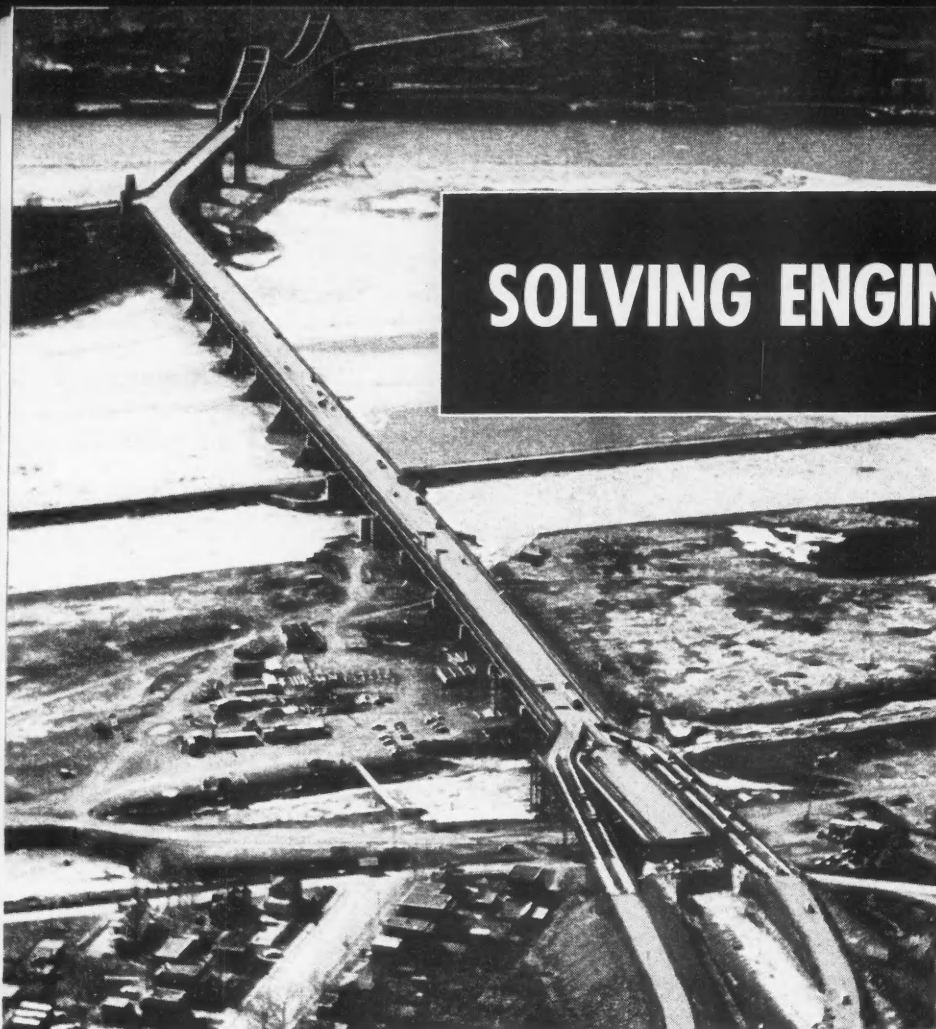


I enjoyed reading 'The Story of President Champagne'.
Write Bright's Wines, Lachine, Que. for your free copy.

TRY
DUBONNET
"STRAIGHT"
SERVE
DUBONNET
CHILLED
USE
DUBONNET
IN COCKTAILS



EXPORT "A"
FILTER TIP
CIGARETTES



SOLVING ENGINEERING PROBLEMS

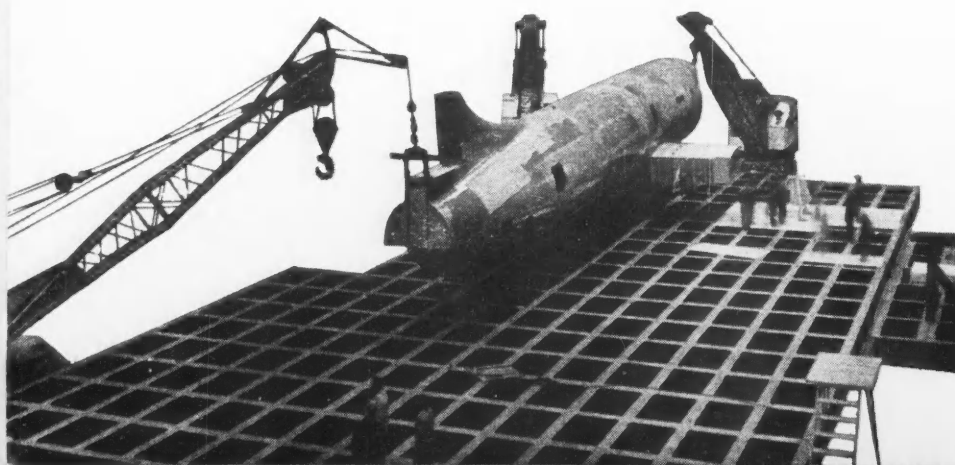
UNIQUE SEAWAY PROJECT

One of the early operations in raising the Jacques Cartier Bridge, Montreal. At this stage traffic has been diverted to permit the raising of the South approach and uninterrupted traffic will be maintained over the bridge during the construction period. Seven other major seaway contracts have also been awarded to Dominion Bridge.

Expansion brings diversified engineering problems—as in these recent examples.

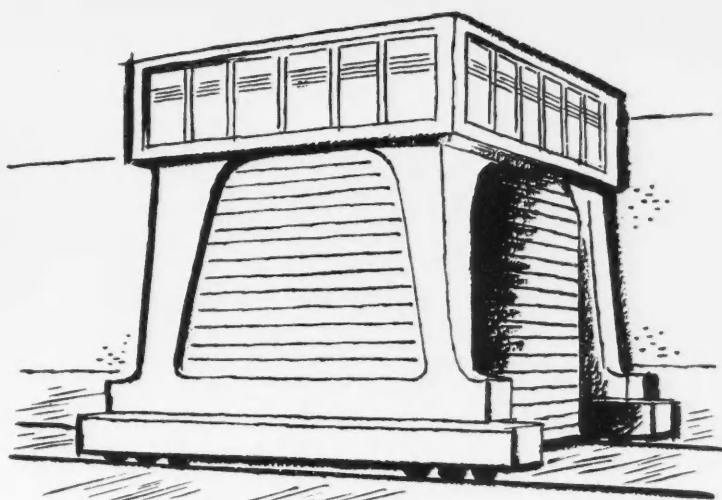
In every province and in every major industry, Dominion Bridge engineers are making important contributions to Canada's phenomenal growth.

To help Canada's expansion Dominion Bridge last year announced its own four year expansion programme. Now in full swing—this will have the effect of increasing the Company's overall capacity by 40 per cent and will assure even better service to our customers from coast to coast.



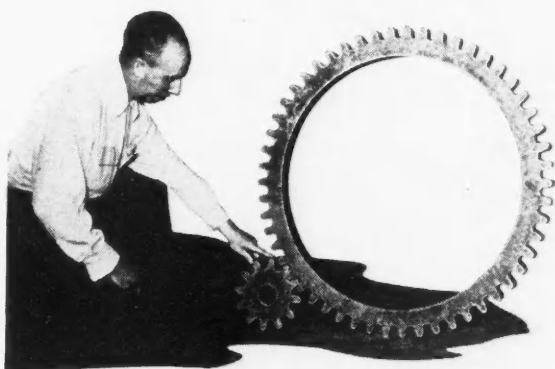
TEST BED FOR CANADA'S LARGEST AIRCRAFT:

To avoid distortion during fitting and welding of this massive steel grid, for Canadair Ltd., special field welding procedures were devised by Dominion Bridge engineers.



MODERN TREND IN CRANES:

This 300-ton gantry crane, the largest ever built in Canada, was designed and fabricated by Dominion Bridge for the Canadian half of the St. Lawrence Power Project. Completely enclosed, it illustrates a modern trend in design.



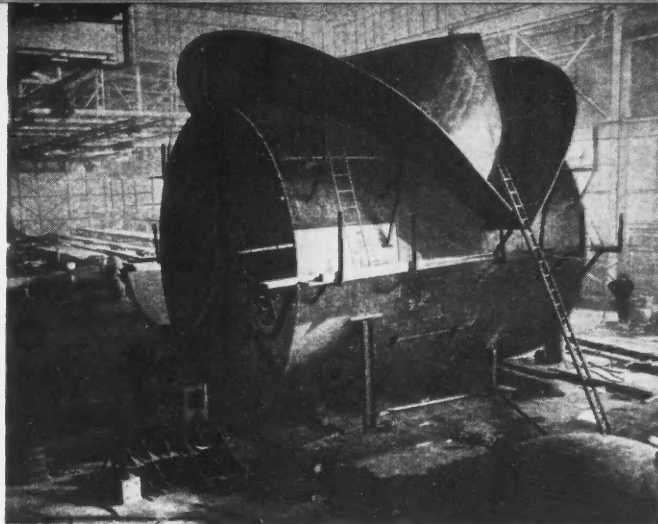
FLAME CUT GEARS:

Our steel warehouse division frequently assists other manufacturers in solving their own engineering problems. This pair of gears, $2\frac{1}{2}$ " in thickness, was recently supplied in less than a day for a rush order.

"STEEL FOR URANIUM":

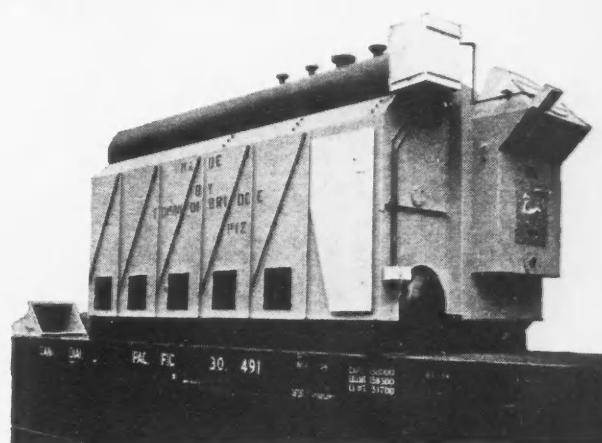
Thousands of tons of structural steelwork have been fabricated and erected by Dominion Bridge for Canada's huge uranium developments. One example is Algom Uranium's Nordic Mill, near Blind River.

DOMINION BRIDGE COMPANY, LTD.



22' diam. T SECTION FOR POWER PROJECT:

One of many large platework components recently built by Dominion Bridge for the Ladore Falls Power Development, B.C. Other items included Y sections, penstocks and scroll cases.



MODERN TREND IN BOILERS:

Newly developed Dominion Bridge water tube package unit boiler. Units such as this are shop assembled and shipped complete to the site ready for connecting to steam, oil and water lines.



DOMINION BRIDGE

CANADA MINK



What could be more chic than **MAJESTIC*** natural dark ranch mink worked into a stole? Proud product of Canada Mink Breeders, this exquisite mink is the ultimate in fur perfection, whether fashioned into a stole or greatcoat. Its luxurious suppleness and deep brilliance are the supreme complement to your ensemble. BUY MAJESTIC* CANADA MINK.

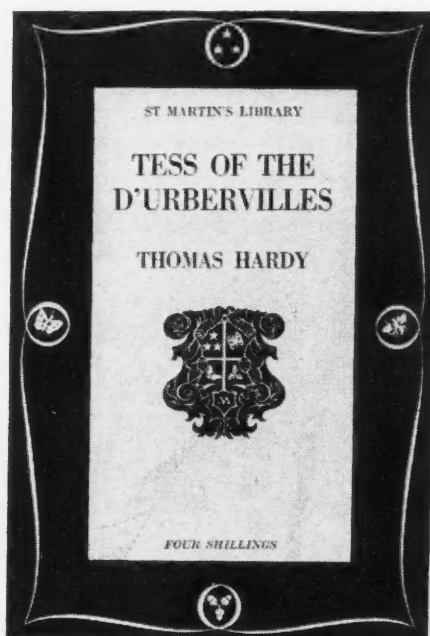
Virginia Thoren *Canada Mink Breeders

Books

by Robertson Davies

Hardy: Twenty Years After

It is easy for a young reader, through no faults of his own, to miss the qualities of irony, understanding and compassion.



Library jacket design.

IT IS TWENTY YEARS since I read a novel by Thomas Hardy, and I seized with eagerness upon the opportunity which was presented to me by Macmillan's, whose first ten volumes in their new paper-backed reprint library include *Tess of the d'Urbervilles* and *Far From The Madding Crowd*. When I first read Hardy I admired him conventionally, but I do not think he is a young man's novelist; reading him when, in Shakespeare's phrase, "Time hath sowed a grizzle on my case" I see him a master among English novelists. What has made me change my tune?

To the young reader, the first impression of Hardy is that of a contriver of melodramas; his plots are often stagey. What could be more melodramatic, in the most conventional nineteenth century style, than *Tess*? A simple, beautiful country girl is seduced by a flashy villain complete with silky black moustache, whose first words to her are, "Well, my Beauty, what can I do for you?" and who later gloats "Ha-ha-ha! . . . what a crumby girl!" She has a child, which she christens Sorrow before it dies. She falls in love with a clergyman's son, and after great inner debate, she writes him a letter in which she tells him of her earlier affair—but by a trick of fate he does not get the letter. Therefore she tells him on her wedding night, and he—with a cal-

lousness which makes us detest him—throws her over. When, after she has borne degradation and hardship, her seducer appears again and tempts her back to him, the husband returns and she, betrayed a second time, kills the seducer, and is hanged. If we see only the plot and the stilted conversation, we feel little of the power of the book.

Time, however, teaches us a thing or two. One of its lessons is that the plots of melodrama are shop-worn for the excellent reason that they contain deep truths; they have been rubbed thin by trashy writers, who have understood them superficially, but for the masters they are still the very fabric of life itself. Anybody who has lived forty years in the world and kept his eyes open, knows that girls are very often seduced, not because they are stupid, but because they are trusting, and that the men who seduce them are often, like Alec d'Urberville, less wicked than emotionally unstable. Prigs like Angel Clare are by no means uncommon, though nowadays they have a different line of scruple. And a train of unhappy events, once set in motion, is virtually impossible to check.

Coincidences, like Tess's lost letter, no longer trouble me in fiction; life provides coincidences so startling that no novelist would dare to use them. Not all people, perhaps, but certainly some people, live curiously fated lives, in which they seem doomed to carry out actions which bear no relationship to ordinary probability, and are dictated by necessities which have nothing to do with common sense. *Tess* is melodramatic, sure enough, but so is life. Twaddle as we may about free will, some of us are bound to live lives in a context of farce, some in comedy, some in proletarian realism, and some—unhappy wretches—in tragedy.

It is the sense of tragic inevitability which Hardy brings to his melodramatic story which makes his novel great. We may say, as contemporary critics did, that

he often writes clumsily, that his dialogue is often stilted, and that he sometimes piles on the agony to a degree which brings his structure dangerously close to farce. But when we consider the total impact of *Tess*, and the great passages of description, of pastoral beauty, and of tragic splendor, we can put the faults in perspective. We know, when we have finished it, that we have read a great book.

In his admirable book of criticism, *Mirror in the Roadway*, Frank O'Connor is not too generous to Hardy. But O'Connor, a great realist himself, favors the realists, and Hardy is not a realist. It is easy to think him one, especially if the reader is town-bred, for the descriptions of nature, of farm-life and of daily happenings are seemingly as minute as a realist could desire. When we read that the milkmaids at Talbothays Farm often had flecks of cow-dung on their faces, from being swished by cows' tails as they worked, we may think it realism if we do not reflect too clearly about the matter. But the realist, splendid as he is, commits himself to what a reader may be persuaded to decide for himself, whereas the romantic or tragic novelist is determined to tell his reader what to think. It is in this realm, where he presents his own attitude toward Tess's story, that Hardy's great qualities of understanding, irony and compassion are revealed. It is easy for the young reader, through no fault of his own, to miss them, for they are not qualities which have as yet manifested themselves strongly in his own life.

Hardy was fifty-one when *Tess* appeared, and there is something to be said for reading a great novel at an age which is within hailing-distance of the author's age when he wrote it. It gives the reader a better chance of apprehending—no, not the author's thought, for a young reader can do that very well—but his intensity and quality of feeling. For though the young are quick to feel emotion within a limited range, there are intensities of

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feeling and perception which come later, and which are often demanded by the writings of mature authors. It is certainly true that, where feeling has never been strong, it often dwindles to emotional triviality in middle age; but where feeling has been powerful in youth, and has been cherished and cultivated, it broadens and deepens the pleasure and emotional satisfaction which art can give when youth is past.

This new reprint library offers not only the two novels by Hardy already mentioned, but the first two volumes of Sir Osbert Sitwell's autobiography — *Left Hand, Right Hand!* and *The Scarlet Tree*; as a picture of aristocratic life in the late Victorian and Edwardian ages this can hardly be bettered. One of the most popular novels in a historical setting written in our time, *Rogue Herries* by Hugh Walpole, is also in the series. Charles Morgan's *Portrait in A Mirror*, and a volume of *Three Plays* by Sean O'Casey are also included, and will be welcome. But in my opinion the special treasures of the collection are A. C. Bradley's classical work on *Shakespearean Tragedy*, and Sir James Fraser's *The Golden Bough* in two volumes. Here are two books that every serious reader should have, and here is his chance to get them at tempting prices.

It is unlikely that *The Golden Bough* will come to any young reader today with the same thunderclap effect which it had on those who read it when it first appeared in an abridgement in 1922. The great work itself occupies eleven volumes and was published between 1890-1915; the abridgement is the form in which it is most familiar and the only form in which the ordinary reader is likely to attack it. Its intention was to solve a special problem—the succession of the sacred kings of the grove of Nemi; in doing so it examines an extraordinary amount of folklore and folk-custom which, as a whole, provides us with a new sense of the unity of human society and culture.

The scandal which attended the first appearance of the book arose because it pointed out or implied kinship between Christian usage and belief, and a vast number of other religious rites; those who wished to believe that Christianity was in every respect unique were outraged. But this powerful book has so influenced popular and scholarly thought during the past fifty years that what it contains is no longer shocking. It remains wonderfully interesting, enriching and provocative. I cannot conceive of any intelligent reader between eighteen and eighty who will not find it a delight. In making it available in this convenient and inexpensive form Macmillan's has done the reading world a service of the first order.

St. Martin's Library, as listed above—Macmillan Co. of Canada—volumes vary in price from 60 cents to \$1.25.

Plan for Planners

The Englishness of English Art, by Nikolaus Pevsner—pp. 192, with index, bibliography and many illustrations—*British Books*—\$3.50.

DESPITE A BAD TITLE, this is an excellent book, reflecting the scholarship and wit which characterise Dr. Pevsner, and illuminating many odd corners of architecture and art. The book is an expanded version of the Reith Lectures given over the BBC in 1955. The writer calls for a revolution of the imagination, as applied to town and country planning in Great Britain; most of what he says is of direct and important application to Canadian problems. S. M.



Hogarth: From "English Art."

Two Voices

The Selected Poems of Marjorie Pickthall — Edited and with an Introduction by Lorne Pierce — pp. 102, index — *McClelland & Stewart* — \$3.00.

The Transparent Sea — by Louis Dudek — pp. 114 — *Contract Press* — \$2.00.

MARJORIE PICKTHALL has been dead for thirty-five years, long enough to have passed through sanctification, and almost total eclipse in a new era. Now she is rescued from the text-books by a critical editor who places her gently but firmly where she belongs. Perhaps Dr. Pierce is just a trifle too deprecating. One poem such as *Père Lalement* is sometimes enough.

Mr. Dudek belongs to the new era which caused Pickthall's eclipse and still vigorously exercises the talent which differs so diametrically from hers. Perhaps it is unfair to expect Mr. Dudek to be as ruthless an editor of his own work as he is skilful and clever as a poet. Many of these lyrics are true and deep, but too many are merely slick or slight, and detract from the real worth of this volume. M. A. H.

The Lively Arts

by Mary Lowrey Ross

Procrustes' Bed

RECENTLY I attended a press showing of forthcoming productions presented by Twentieth Century-Fox. There were clips from impending pictures and helicopter's eye views of studios, outdoor sets, and productions in progress. Most of the two hours' time, however, was taken up with speeches. One by one, the producers, directors and top executives rose from behind their desks, against a background of golden Oscars and ranged best sellers, to reaffirm their faith in the movies and re-dedicate themselves afresh to the service of Hollywood.

It was a pretty solemn occasion. It was also an impressive demonstration of the fact that Hollywood is still in there fighting. It may be willing to make a profitable deal with its rival but it never loses sight of the fact that they are both working the same side of the street.

The fact is, however, that under its present schedule Hollywood can now afford to pause and catch its breath. It is no longer committed to a policy of filling the nations' screens three times weekly with a change of double-bills. The pictures described in the Twentieth Century showing were, like most current Hollywood films, all large-scale productions designed to run for weeks or even months. This means that most of the sheer daily drudgery of entertaining America's restless millions must now fall to television.

The daytime slack can be taken up with soap-opera, and for the late hours there is still the residue from Hollywood's apparently inexhaustible rummage sale. The rest of the days and hours, to the last instant of appointed time, must be filled up with plays, sketches, mysteries, quizzes and novelties. These must also be extended or compressed to fit a schedule as rigid and inexorable as Procrustes' Bed. And finally the television writer must be continuously aware of the special demands of network, censor, sponsor, and a rating system so delicately devised that it can, apparently, pick up the sound of someone crossing the room to switch to another channel. To write a good illuminating play under these rigidly constricting circumstances strikes one as almost as singular an accomplishment as engraving the Lord's Prayer on the head of a pin.

Yet good television plays do get written —e.g. *Marty*, *Requiem for a Heavy-*

weight, *The Catered Affair*, *Patterns*, *The Comedian*. These would be lively and interesting dramas in any medium. One realizes how good, and indeed miraculous they were when their writers drop to the ordinary television level.

There was, for instance, *The Great American Hoax*, written by Paddy Chayevsky, who was responsible for *Marty* and *The Catered Affair*. A master printer (Ed Wynn) compulsorily retired at the age of sixty-five, uses his skill to set up the necessary letterhead and sends out a letter, ostensibly from the distant head-office, rescinding the order. This probably struck Playwright Chayevsky as a novel and productive idea, but he soon ran into difficulties. He had to present his central character, a forger and impersonator, as a sympathetic character and at the same time take into consideration the susceptibilities of any President of Interlocking Companies who might be in the audience. He was also compelled to extend a slight and rather special idea to an hour's running time. The result was a tedious and unlikely play whose comedy rarely rose above the level of the impromptu wit recorded in Hansard.

There have been even sadder examples of entertainment by default — for ex-



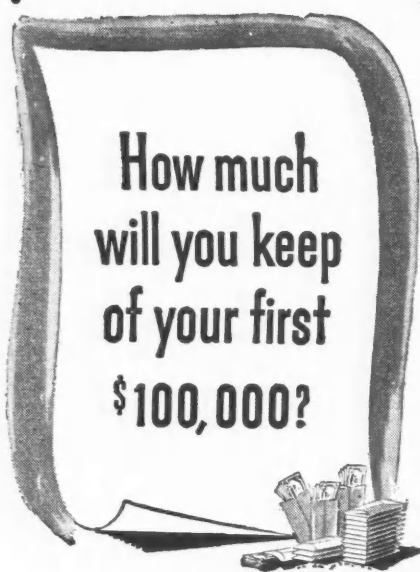
Ed Wynn and Kathleen Crowley.



Gary Merrill and Claire Trevor.

ample, *Blackmail*, which starred one of the most egregious child-actresses ever to appear on any screen. *Blackmail* was presented on the Hitchcock half-hour and it would have been consistent with both the program and the feelings of the audience if Sir Cedric Hardwicke, the hard-pressed co-star of the piece, had disposed of the little heroine and buried her under his corner mulch-pile. There was also *If You Knew Elizabeth*, a complicated and interminable comedy romance presented by the usually reliable Playhouse 90, and starring Claire Trevor. This type of entertainment can be presented safely only to an audience so deeply sunk in its lazy chair that it can't summon the energy to get up and change the program.

With so many hazards to meet — sponsor's cramp, a relentless time-schedule, the character-distortions inevitable in a family medium — television writers have been falling back recently on biography. Here at least they are allowed a more or less consistent story-line and some support from documentation. So we have had *The Miracle-Worker*, describing the early life of Helen Keller; *The Hostess with the Mostes*, the story of Perle Mesta; *The Blackwell Story*, a television dramatization of the career of America's first woman doctor; *Mr. Broadway*, with Mickey Cohan as George M. Cohan; and *Helen Morgan*, starring Polly Bergen. With the exception of *The Hostess with the Mostes*, which might have been written by Madame Mesta herself, most of these have been excellent. While none of the stars succeeded in actually recreating the subjects of the biographies, they all, including Shirley Booth as Perle Mesta, were able to evoke the special quality of a period and a nation—the energy, the doggedness, most of all the wonderful corn which is the sound basis of so much American entertainment.



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Arcadia Nickel

*How does Arcadia Nickel stack up?—
N.A., St. Catharines, Ont.*

Arcadia Nickel plans to treat ore from its Sudbury property at the rate of 1,000 tons a day. It has received bids of premium prices for its output either in the form of concentrates or as metal, which could be won from concentrates at a custom refinery. Estimates of an operating profit of \$2 millions per year have been developed and might be realized until new large-scale sources of nickel come into production.

Arcadia proposed to meet pre-production expenses by borrowing \$1.5 millions and officials hope that indebtedness can be liquidated within two years of the start of production.

The stock buyer getting into a new, premium-nickel operation appears to be hoping to recover enough of his investment before the premiums disappear to result in a relatively low cost for his interest in what will probably be a highly competitive business in the 1960's. A secondary hope which sustains him, and the owner of any other mining stock, is that of more ore being found.

Merger

I am enclosing a copy of the circular outlining the merger of Canadian Pipelines & Petroleums Ltd., of which I am a shareholder, with Scurry-Rainbow Oils Ltd. and would appreciate your comments on sections which I have marked—S.B., Edmonton.

Owing to space limitations, comments must be confined to your apparent objection to the absence of Canadian directors from the merged company. The 100% American composition of the directors will not go down well with many people in this country and it would have been good public-relations for the company to include one or two Canadians on the board. But if the majority of the board does not see fit to adopt this public-relations policy, there is nothing that can be done about it. Whether federal and provincial company laws should be revised to compel inclusion of a minimum

number of Canadians on a directorate is something else again.

The amount of stock which directors of the company own is, as you point out, less than 5% of that outstanding, but this has nothing to do with their legal right to stand for election of office. Any one with one share of stock is entitled to vote at a company meeting and to seek a directorship, although the financial community has no name for the holder of one share of stock, only a loathing.

It should be noted that Americans can scarcely be criticized for coming into Canada and capitalizing on opportunities which Canadians refuse to recognize. This is largely the explanation for 80% of Canada's petroleum industry being vested in U.S. ownership.

Investment Policy

I am a young doctor and am exposed to a constant barrage of pitches from people with 57 varieties of stocks, bonds and securities to sell. I would appreciate your advice in the determination of an investment policy. Which are the best—stocks, bonds, mortgages? What can an investment counsel do for me? Is there any merit in mutual funds? Should I pick out one good securities house for all my investments?—M.D., Toronto.

Your willingness to seek outside advice speaks well for your future as an investor. Right at the start paste this in your hat: Stay invested in equities all the time. Buy pieces of the utilities, the mines, the manufacturing concerns of Canada. Do not lend them your money via bonds and debentures—although this may be recommended when a call on common stock exists in the background—but take a partnership position. Stay away from mortgages unless you're prepared to go into the mortgage business.

The reason for this strong emphasis on equities is that we appear to be living in an economy which is committed to progressive inflation. This means that loan securities gradually depreciate in real value since they represent a fixed number of dollars. Equities, on the other hand, are tied to growth.

While inflation is not an unbroken up-trend but rather a series of hills and val-

leys, we caution you not to try to gamble on economic slumps by switching from stocks into bonds and vice versa. Get into common stocks and stay in them.

Just as important as the particular channel of investment advice which you will utilize, is the need to stay with your choice. Otherwise, you will be tossed about on a sea of indecision. Each course you suggest has much to recommend it and your selection will be based on your own preference and convenience.

Registered investment counsel are a responsible group of men with many years of experience and a critical approach to securities values. They generally work by charging a supervisory fee which is a small fraction of the principal value of your portfolio. They will try to maintain your position on a long-term basis and this may involve occasional changes in your holdings.

Another type of service for which you can expect to pay is in connection with mutual funds. These companies employ expert analysts. You buy the stock in mutual funds on the open market and get dividends from it the same as from an industrial company. The difference is that the business of the mutual funds is investment. It pays its expenses out of its income and the balance is available for shareholders.

Both the above courses described cost money but what doesn't? You wouldn't expect to go in the hat business and pick the brains of the industry's experts without paying for it.

Dealing with securities houses or stock brokers, you pay no advisory fee. You buy their offering on a net basis or pay them a commission for buying for you. These organizations, too, maintain highly trained statisticians and analysts of investment values and are quite zealous in their effort to conserve the capital of their clients. They use no sale pressure and do not make recommendations lightly. Those who are not dealers but exclusively brokers are very careful not to get their clients trading merely for the sake of creating commissions.

Castle-Trethewey

Has Castle-Trethewey any attractions for a long hold?—J.H., Toronto.

Castle-Trethewey could hardly be recommended for anything but a long hold. In it the securities follower has a chance to buy into a rich holding company at a relatively low price. The company has only 2.7 million shares of stock outstanding and at \$4 a share has a market capitalization of \$10.8 million. The company has, however, an investment portfolio of some \$16 million, so the buyer is getting in below break-up value. He is also getting whatever possibilities are inherent in the company's silver mine in the Gowganda district of Ontario, from

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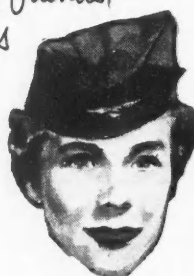


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which income is being won. This operation has been having a little more difficulty in finding new ore latterly but the chance of additions and extensions to known bodies is worth consideration.

Castle is more than 80% owned by McIntyre Porcupine, of which Castle in turn owns 25,000 shares. While a subsidiary company could not now acquire stock in a parent organization, Castle's interest in Noranda precedes the enactment of present laws. It can legally retain the McIntyre, although some shareholders have urged its sale. The return of a portion of the capital to shareholders has also been suggested but this depends on the wishes of McIntyre and probably also is related to taxation problems.

While there is nothing on the horizon to indicate any change in Castle policy with respect to distributing its surplus, the shareholder should remember that the values inherent in the stock cannot permanently be denied. But he may need patience.

Quebec Lithium

Have you any views on Quebec Lithium?
—B.R., Winnipeg.

Quebec Lithium has a strong ore position and is increasing its capacity to 1,600 tons a day from the existing 1,000 tons. It had an operating profit in 1956 of \$880,750 from production of 238,309 tons of ore. It delivered a total of 239,932 units of lithia valued at \$2.5 millions under its contract with Lithium Corporation of America. Mill feed averaged 1.26% lithium oxide and average monthly profit during the last half year was \$124,500. As a new producer the company enjoys exemption from federal income tax for three years from August 1, 1956. It has reserves of about three million tons of lithium ore.

From the foregoing it is apparent that Quebec Lithium has reasonable prospects of bringing its earnings up to a level more in keeping with those being discounted by the stock, which has been selling at \$9 a share. There are about 2.5 million shares outstanding.

Hudson Bay Mining

What do you think of Hudson Bay Mining & Smelting in the light of the possibility of the U.S. putting heavy duties on the importation of lead and zinc?—K.A., Ottawa.

While it is especially risky to try to forecast what politicians will do on tariffs, or anything else for that matter, there is a good reason for hoping that Canadian lead and zinc will continue to find ready markets in the U.S. The agitation for high tariffs there has risen as a result of halting tendencies on the part of the stockpiling authorities, the stockpile hav-

ing absorbed surpluses of domestic production in the U.S. at levels profitable to producers.

Certainly the people who make lead and zinc metal from U.S. ores and concentrates can make out a good case for tariff protection against imports. However, they cannot reckon without refiners of imported ores and concentrates, which include substantial tonnages from this country.

The refining of imported ores and concentrates is a big industry in the U.S., and it is just as vociferous in demanding unpenalized entry of its raw material as the workers of domestic ores and concentrates are in whining for protection. There is a good chance that the situation will not be generally altered and this would mean a continued favorable entry for the slab zinc production of Hudson Bay Mining & Smelting, a company which is controlled by Americans. Hudson Bay produces premium quality metal, demand for which is strong as a base for chrome-plated parts for the automobile trade.

Barvue

How is Barvue zinc mine now?—K.F., Winnipeg.

Barvue has been a victim of the sinking spell in the price of zinc. This took place at a time when it was attempting to switch over to underground mining after several years of profitable operation in the open pit. This type of extraction took place when the company additionally enjoyed the benefits of premium prices as a result of a contract entered into several years ago when zinc and other metals were scarcer.

The company now faces a period of establishing its earnings on the basis of underground operation, lower zinc prices and the further adversity of a discount on American funds. Zinc is a metal of which Canada has a large surplus for export each year.

Barvue stock has experienced a drastic decline and while there is little in the situation to warrant optimism it must be remembered that all values are relative. Barvue should be looked at closely in the event of further weakness, which would bring it into the class of bargains for the business-man speculator with patience.

Gunnar

What do you think of Gunnar's chances of appreciation? When will it pay a dividend?—O.B., Kingston, Ont.

The editors of these columns find very little on which to base a bullish opinion on Gunnar or any other uranium stock until such a time as uranium enjoys a market free from government support. It is rather ironical that miners, who are considered by many as the last guardians

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of free enterprise, should find their industry dependent on the whims of politicians. It is significant that much of the major mining development in Canada in recent years has reflected U.S. government purchases of metals for stockpiling and other defense purposes.

Uranium cannot be considered in terms of economic use by industry until the metal enjoys a free market and this may be some time away, regardless of the undoubted abilities of the metal to perform in the fields of energy. Possibly delaying this day, too, is the problem of disposing of atomic waste materials.

These columns have pointed out many times that it is difficult for uranium stocks to command prices higher than the equivalent of their earnings from the government contracts which producers enjoy for the next few years. In other words, the market is not willing to pay much for the long-term future of uranium and will buy the industry's equities only on the basis of their ability to liquidate their cost out of early dividends.

There is a good chance that Gunnar distributions will commence in 1958.

In Brief

I bought 800 shares of Fleet Manufacturing a few months ago at \$1 a share and it has since touched 70 cents. Could you tell me what is wrong with this company? Would it be wise to buy more stock? — H. E., Jordan, Ont.

Fleet Manufacturing cannot be recommended except as highly speculative. The company's career has been marked by several ups and downs but so far has failed to feature the type of unbroken progress upon which success in industry is based.

The stock at this writing has rebounded to the area where you got in so you can get out about even.

What is the outlook for Beaucauge Mines? — D.D., Sherbrooke.

Beaucauge is still looking for the answers to a number of problems in connection with the treatment of columbium-uranium ores, which occur at its property in the North Bay district of Ontario.

What is the position of O'Brien Gold? — A.F., Kitchener.

Since termination of operations at its Cadillac gold property, O'Brien has participated in a variety of mining and oil bets.

Would you advise the purchase of East Amphi for a hold? — M. P., Regina.

No more so than a hundred other cats and dogs. Why not take the money and have a big afternoon at the races?

Can you offer any encouragement to holders of Yukeno? — N.B., Detroit.

Prospects for Yukeno are bleak.

N. Y. State

CONTINUED FROM PAGE 15

Thousand Islands region. Here water sports, like fishing, swimming and sailing, are the top summer attractions. The Thousand Islands — there are actually more than 1,700 of them — are situated where the St. Lawrence leaves Lake Ontario, with most of them around Clayton and Alexandria Bay. Northward the river narrows into rapids and here is the site of the St. Lawrence Seaway and Power Project. The seaway has several "overlooks," where visitors can watch the work in progress. All the U.S. observation points are in the Massena area.

Four New York vacation regions border Lake Ontario, the Niagara Frontier, Genesee, Finger Lakes and Central New York areas. To most Canadians as well as to many Americans, Niagara Falls and "honeymoons" are synonymous. For generations the Falls have been the mecca for newly-marrieds, who with some 3,500,000 annual visitors, stand and watch the beauty of the American and Canadian Falls.

Six sparkling blue lakes lying east of the Genesee region identify a popular summer vacationland. Seneca, Keuka, Cayuga, Skaneateles, Owasco and Canandaigua, New York's well-known Finger Lakes, spread across the landscape in a pattern that resembles the earthly imprint of some six-finger giant's hand. Here water sports such as swimming, boating and fishing highlight summer vacation activity. The surrounding Finger Lakes hillsides are bright with the purplish tint of vineyards and from the sunny slopes come New York State wines and champagne that rank with Europe's best.

The Finger Lakes area traces an eventful historic past. South of Palmyra are the Mormon shrines commemorating Joseph Smith, founder of the sect, and the spot where he revealed he had dug up

the golden plates of the Book of Mormon. Newark, a bit northward, proudly calls itself the "Rose Capital of America" and every June when millions of roses are in bloom puts on a Rose Festival. The rose display continues all summer and the rose gardens are open to visitors until late autumn. Watkins Glen State Park, a two-mile gorge featuring natural rock amphitheatres, grottos and cataracts, is an attraction for many tourists. At night the Glen is lighted and trails and bridges give opportunity for exploration.

Central New York, the area surrounding Syracuse, received its first popular notice as a result of author James Fenimore Cooper's "Leatherstocking Tales." Cooperstown, birthplace of the author, at the foot of Otsego Lake is a white clapboarded village of museums. The village contains three well-known museums, the National Baseball Hall of Fame and Museum, perhaps the most noted, the Farmers' Museum and Fenimore House, headquarters of the State Historical Association.

Adjoining Central New York, the Mohawk Valley takes vacationists over the same paths used by the first colonial settlers, since the valley provided the only low-level route to the west. Here at Auriesville is the National Shrine of the North American Martyrs, the scene of the martyrdom of the first North American saints of the Roman Catholic Church.

For Canadian vacationists, Lake George in the Saratoga-Lake George region has always been a popular spot. The lake, thirty miles long, is one of America's most beautiful and the hundreds of camps, motels and hotels dotting its shoreline testify to its favor with summer holiday-makers.

South of Lake George, the historic Hudson Valley brings visitors through the Capital District and Hudson-Taconic regions to the gates of New York City. Albany, the state capital, is situated at the head of tidewater on the river, 150 miles above New York. Southward the valley and river widen, reaching their greatest width near Tarrytown and the new Thruway bridge. On the west bank of the Hudson is West Point, site of the U.S. Military Academy, while the east side includes such noted attractions as the Franklin D. Roosevelt National Historic Site at Hyde Park, Washington Irving's "Sunnyside" between Irvington and Tarrytown, and Philipse Castle at North Tarrytown.

For many Canadians, no trip to New York is complete without a visit to New York City. The tall steeped, many-faceted metropolis is a modern wonderland of skyscrapers, noted buildings, bridges, tunnels, museums, art galleries, parks, sports stadiums, restaurants, night clubs and the home of the United Nations. Mere statistics fail miserably in describing the city. More than a place to visit, New York City is an experience for the more than 13 million visitors that arrive each year.



Thousand Islands country.

Who's Who in Business



William Henderson Dalton

Growing With Gas

He believes the future of natural gas is unlimited. From his past record in the industry, most people feel his future is just as bright.

WHEN EX-HYDRO man Bill Dalton became general manager of the Canadian Gas Association in 1955, he found two crumbling offices in downtown Toronto and a staff of two people whose chief function was to line up one convention a year for the industry.

Since then, Dalton has built up one of the most powerful associations in the country — membership has spiralled to 500 firms, his staff now numbers 11 people, including one engineer, and the Association's modern offices are being enlarged for the second time. But most important, the Association has gained the confidence and admiration of the burgeoning industry it represents. In the last two years two major legislative concessions have been won from the government and three more are under study. As one gas company executive put it, "If I had a problem three years ago, our Association would be the last place I would think of: now it's the first place I go to".

This recognition is a novelty to Dalton. He still remembers the time during his first year with the Association when he visited a provincial Minister of Labour in Western Canada to plead a case for the gas industry. After presenting his well-rehearsed half-hour argument for fairer legislation, the Minister gave him a bewildered look and said, "Now we may as well be frank. Just what is this gas Association your talking so much about, and just who are *you*?"

Dalton has overcome this problem by developing a national public relations program and by making at least six cross-Canada business trips each year to call on many of the Association's member firms, and to speak to representatives of allied industries and provincial governments. These trips were largely responsible for the gas approvals program which

Dalton claims to be, "the greatest accomplishment by this Association since I have been with it". The program gives the Association the unique right to undertake the issuing of seals, listing and approvals on all gas burning equipment including appliances manufactured and distributed throughout Canada. Such authority has been granted to the Association in Ontario and British Columbia, while Alberta, Saskatchewan and Manitoba have given recognition to the C.G.A. seal.

Dalton is naturally adept at public relations. A tall (6'2") gregarious 40 year old, his conversation and demeanor is informal and friendly. He talks quickly, his verbal enthusiasm heightened by the odd swear-word and hearty laugh. Seated behind the desk in his large but simple office on Yonge St. in Toronto he talks with fervor of the future of the gas industry — "In ten years the use of gas will stagger the imagination. I'm quite sure I'll see the day when even the Trans-Canada pipeline will not be sufficient to supply the market. For instance, ten years ago Detroit had a daily consumption of 15,000,000 cubic ft. of gas; now this is one billion cubic ft. per day".

Bill Dalton came to gas via hydro. Prior to joining the C.G.A. in 1955, he spent seven years with the Ontario Hydro-Electric Commission; nearly six of them as manager of public relations for the \$400,000,000 frequency standardization division, and as special assistant to the late Hydro Chairman Robert H. Saunders. "If one could say I have a business idol, that would be Saunders. He was the kind of a man who made instant decisions, and never looked back. He was only interested in progress."

Born in Toronto and educated at Oakwood Collegiate, Dalton left school to enter the family firm of Dalton Bros., a wholesale grocery company. Two years

later he switched jobs to become an estate clerk in the Accountants office of the Supreme Court of Ontario. In 1940 he was commissioned in the Royal Canadian Ordnance Corps. One year later he rose to the rank of major, at 24 years of age. At war's end he was second in command of the Ordnance Depot in Toronto.

After discharge he joined an investment firm as a bond salesman until going to the Hydro in 1948 as a public relations officer. In 1950 he was appointed assistant to the Chairman. Five years later he joined the Gas Association.

Dalton describes his responsibilities to the 15 member Board of Control as directing and co-ordinating the activities of the Association and promoting the development of the Canadian gas industry.

To do this he spends nine hours a day in his office—sometimes six days a week. Because of what he calls, "this damn traffic problem" he leaves his Meteor station wagon at his eight-room home in the Rosedale district of Toronto for his wife Joyce.

His leisure hours on Sunday are devoted to his daughter and two sons (15, 9, and 1½ respectively). "I get more pleasure out of spending free time with the kids than in playing cards or going fishing. I guess I feel this way because they are usually in bed by the time I get home from the office, so I cherish what little time I have for them."

This week, Dalton is at Jasper Park Lodge, Alberta, at the 50th Annual Meeting of the Canadian Gas Association. Over 700 delegates have registered for this, the largest convention in the industry's history. Dalton is especially proud of the registrations he received from representatives of France and Japan. "It proves that the Association and the industry is recognized and respected. That kind of recognition gives me great pride."



ROYALITE OIL COMPANY, LIMITED
PREFERRED STOCK DIVIDEND
NO. 11

NOTICE is hereby given that a Dividend of 32.8125 cents per share has been declared on all the outstanding 5¼% First Series Preferred shares of the Company, payable July 1st, 1957, to shareholders of record at the close of business on June 14th, 1957.

By Order of the Board
K. S. C. MULHALL,
 Secretary Treasurer
 Calgary, Alberta
 June 1, 1957

THE CANADIAN
BANK OF COMMERCE
DIVIDEND NO. 282

NOTICE is hereby given that a dividend at the rate of thirty-five cents per fully-paid share on the outstanding Capital Stock of this Bank has been declared for the quarter ending July 31, 1957, payable at the Bank and its branches on August 1, 1957, to shareholders of record at the close of business on June 29, 1957.

Subscribers to new shares are reminded that they will rank for this dividend only in the proportion that the amount paid upon such new shares at the record date of June 29, 1957, bears to the subscription price of \$30.

BY ORDER OF THE BOARD
J. P. R. WADSWORTH,
 General Manager.
 Toronto, May 31, 1957

POWER CORPORATION OF CANADA
LIMITED

The Board of Directors has declared the following dividend:

No par value Common Stock

No. 62, Quarterly, 50¢ per share, payable June 29th, 1957 to holders of record at the close of business on June 5th, 1957.

V. J. NIXON,
 Secretary.
 Montreal, May 24th, 1957.

THE TORONTO
MORTGAGE COMPANY
QUARTERLY DIVIDEND

Notice is hereby given that a dividend of \$1.25 per share upon the paid-up Capital Stock of this Company has been declared for the current quarter, and that the same will be payable on

2nd JULY, 1957

to shareholders of record on the books of the Company at the close of business 14th June, 1957.

By order of the Board.
CHARLES J. PETTIT,
 Manager.
 June 6th, 1957.

Your Taxes

by Garfield P. Smith, CA

Purchase and Sale

HERE ARE some of the tax problems arising on the purchase or sale of a business. Many of such problems arise where a business is sold for a lump sum without any allocation of the selling price being specified in the sales agreement. Where no allocation has been made, the purchaser will usually record the transaction in his books of account on a different basis than that used by the vendor. The purchaser will want to allocate a larger portion of the price to those items which will affect his income in the following and succeeding years. On the other hand, the vendor would like to show that as small a portion as possible was received in respect of those items affecting his income. The vendor therefore, would like to show that he received a large amount for goodwill, and a small amount for such items as inventory, accounts receivable and depreciable assets. The purchaser will have the opposite point of view.

If the vendor and purchaser agree to the allocation of the purchase price amongst the various assets of the business which have been sold, it will in many cases facilitate the treatment of such items for income tax purposes. There are many items which are transferred from vendor to purchaser at face value and as such they present no problem. The allocation therefore is applicable in respect of the remaining items. We will deal with each separately.

Accounts Receivable

If accounts receivable are sold for less than their face value, due possibly for a reserve for bad debts, the vendor would normally have to compute his income as though he had received the face value for the accounts receivable, and the purchaser would not be permitted to write off as an expense any of the accounts purchased which subsequently prove to be uncollectable. By the simple expedient of filing an agreement with the Department in respect of accounts receivable, the vendor may then compute his income on the basis of the actual amount received on the sale of the accounts, and the purchaser would take them over at that value. The amount of the reserve (the difference between the face value and the purchase price) would

be brought into income in the hands of the purchaser, but this will be offset by accounts which subsequently prove to be uncollectable. Should any accounts previously written off by the vendor eventually be collected by the purchaser, such collections will then be brought into income.

Inventory

Where the vendor and purchaser file an agreement as to the portion of the selling price applicable to inventory, such agreement is binding against each for income tax purposes. If such an agreement is not filed, the Minister will determine the amount. If the book value of the inventory is considerably lower than the fair value, and the fair value is agreed to as the selling price by both parties, the vendor will be required to include the difference as income. The situation would also apply where the inventory is sold at a premium. Where the difference is substantial, it could create a serious tax problem for the vendor, however, the Income Tax Act provides a formula which will give relief in many cases. The vendor, instead of including the profit on the sale of the inventory in income in the year of sale, may pay the additional amount of tax which would be applicable if the profit were spread equally over the last three years including the year of sale, and therefore, possibly pay tax at a considerably lower rate. The vendor therefore can afford to have a higher amount of the selling price allocated to inventory. This will also benefit the purchaser by allowing him a greater amount which may be deducted as his merchandise cost in his first year of operation. If as a result thereof, the purchaser can save more tax than the vendor will have to pay, the vendor may be able to persuade the purchaser to pay a higher price for the business in total.

Depreciable Assets

Where depreciable assets are sold by the vendor, at more than their depreciated value, such excess will be brought into income to the extent of capital cost allowance claimed in the past. Where a depreciable asset is however, sold for an amount in excess of its cost to the vendor or its depreciated value at the end of 1948, the excess is a capital gain and is

not taxable, and the amount to be brought into income is limited to the capital cost allowance claimed since the end of 1948. Because of this, fictitious values may be allocated to depreciable assets. For example, on the sale of real estate, an extremely high amount may be allocated to buildings and a correspondingly small amount allocated to land. In this manner the purchaser would be able to claim capital cost allowance on an unusually large amount, and if the selling price of the building were greater than the cost to the vendor, a substantial portion of the profit would be a capital gain to him and not taxable. Similarly, substantial amounts could be set up for leases and other items which may have cost the vendor nothing and therefore provide him with a capital gain, and at the same time enable the purchaser to claim capital cost allowance. In order to prevent this method of avoiding tax, the Act provides that, regardless of the amounts specified in the contract, the allocations to depreciable assets must be reasonable.

Where an amount is required to be brought into income by the vendor as a result of the recapture of capital cost allowance on the disposal of fixed assets, the Act provides relief in that such amount may be spread over a period of five years thus keeping the vendor in a lower tax bracket in a good many cases.

Limited Companies

Where the business being sold is owned by a corporation, an additional problem is created. If it is the intention to wind up the company, the shareholders will be taxed on the undistributed income. If an amount was brought into income as a result of the sale it will be added to the undistributed income, creating a greater tax problem. The Act provides some relief by way of a dividend tax credit and also, by way of a special tax on undistributed income. However, there is still a tax problem to be met and because of this, the shareholders are often prepared to accept a smaller amount for the sale of shares than for the sale of the business. Generally, the profit on the sale of such shares is a capital gain and there is no tax problem.

The purchasers on the other hand, are normally reluctant to purchase the shares unless they can do so at considerable saving, because they inherit the problem of the company's undistributed income. Further, the price of the shares may be based on the current value of buildings owned by the company.

Such buildings may be worth much more than the depreciated value as shown by the books of the company, nevertheless they will not be able to compute the capital cost allowance on the fair value, but may continue to claim the allowance only on the book value.

Immigrants

CONTINUED FROM PAGE 9

30,000 Hungarians are expected to have arrived by the end of this year — but keeping in mind the Australian experience that others who have made an apparently good adjustment may get in trouble later it is certainly not an insignificant proportion.

Rather unexpectedly, since it is a common feeling that young people adapt best to new and rapidly changing situations, it is the young people among the Hungarians who appear to present the most difficult problems.

Older people who knew something of life before the totalitarian regimes which have gripped Hungary for a generation seem to make the best adjustment. They are, generally speaking, more realistic about conditions here — including the ebb of the wave of emotion and goodwill which they encountered when they first arrived — and more willing to accept temporary hardship if they can see an opportunity of future improvement. Professional engineers, for instance, do not object to taking jobs as night watchmen until a good engineering job opens up and their wives may do domestic work cheerfully and take the opportunity to improve their English.

Some of the younger people, who have had little experience of life under a libertarian form of government, are much less adaptable. They seem to be continuing an attitude of passive resistance to any situation they do not happen to like. One young man has, in the words of a somewhat exasperated social worker, "managed to lose or refuse four good jobs because he doesn't like the idea of working from nine to five."

It is possible that these young people are battling an unconscious desire to go back home; to seek the emotional security represented by a regime which they hate because it is tyrannical but which nevertheless provides the authoritarian father-image which many young people seem to need. Some of them resist learning English in the same manner as they resisted learning Russian back home. Some of them have made what must have been a difficult decision and gone back to Hungary.

The above are, of course, very superficial observations and they do not detract in any way from the fact that the great majority of Hungarians who have come to Canada are intelligent, well-balanced, hard-working citizens to whom a tremendous debt of gratitude is owed by the Free World. But the observations do give a glimpse into the emotional conflicts that are present to some extent in any immigrant who has come to Canada not wholly of his own will and after a period of considerable stress and hardship.

It should not be imagined, by the way,

that emotional conflicts and danger of confusion and breakdown are confined to former D.P.'s and Hungarians. All immigrants have problems of adjustment to new and strange conditions and a great deal needs to be learned about the long-term effect of these problems on the immigrant, his children and the general mental health of the host country.

There is an impression among mental health experts, for instance, that, "paranoid states" occur more frequently among immigrants of all types than among the native born. An Australian investigator states that "paranoid states in patients seeking psychiatric help occurred twice as frequently in immigrants as in the native-born."

Canadian studies in the field are limited but experience with English war brides, among other groups, is along similar lines.

Now paranoia is a form of mental illness characterized by suspicion and fear. The victim is often convinced that somebody or something is out to "get" him. It is a condition one might expect to find in an individual who has moved away from strange, familiar surroundings and has had a breakdown in a strange place and among strange and sometimes unfriendly or outright hostile people.

The point here is that a high incidence of paranoid states among, for instance, English war brides would not indicate they are more mentally unhealthy as a group than anybody else. But it would indicate that as a group they are called upon to adjust to particularly difficult conditions. And it would indicate also that the breakdowns could be averted if the group were given adequate, realistic preparation for their new life and if a good follow-up program involving regular check-up of physical and mental health were in effect.

An impression of some psychiatrists and social workers, based admittedly upon inadequate information and observation, is that the most mentally healthy of Canada's immigrant groups are the Jews. There is no ready explanation for this because Jewish immigrants have backgrounds and experiences perhaps more varied and troubled than any other group. But for many people at least part of the explanation lies in the excellent preparation, reception and follow-up services provided for immigrants by Jewish communities in Canada and elsewhere.

Jewish immigrants are seldom "coddled." But they usually arrive here with a realistic conception of conditions they will have to face and they can usually count on unobtrusive but long-term and continuing interest in them and their problems by people whom they know and trust.

Perhaps a lesson lies therein for all those interested in making sure that Canadian immigrants are given a full and fair chance to make good in their new country.

London Letter

by Beverley Nichols

Gloom Along Fleet Street

"WELL, SIR, that'll be the last time you'll be getting one of those" said the old lady from whom I buy my weekly copy of *Picture Post*. She sighed and shook her head, for it was indeed a sad occasion. This magazine, which began with such high hopes just after Munich, is ceasing publication. In his final leader its proprietor, millionaire Sir Edward Hulton, attributes its failure to the increase in the cost of paper, the rise of wages and that universal whipping-boy, commercial television.

Fleet Street — the "street of adventure" — for which I naturally feel some affection, is indeed in a bad way. At any moment now we expect to hear of an amalgamation between the labour *Daily Herald* and the liberal *News Chronicle*, with all the personal tragedies that the word "amalgamation" implies. The very title *News Chronicle* has a melancholy ring for those who know their Fleet Street history. As the *Daily News* it had a long and distinguished editorship, including, of course, Charles Dickens. Then after the first world war, it amalgamated with the radical *Daily Chronicle*. As if that were not enough, it recently absorbed the most widely read paper of the North, the *Daily Dispatch*. In spite of all this it continues to lose readers; so does the *Herald*; hence the proposed merger. However, there are a number of obstacles to be overcome before the marriage is consummated. The *Daily Herald* is the T.U.C.'s mouthpiece and the T.U.C. has not yet given its consent. As for the liberal readers of the *News Chronicle*, when they see their last great champion is silenced . . . their feelings may well be imagined.

Meanwhile the Tory metropolitan majorities continue to topple. At Hornsey there was a swing of eight per cent to the left, at East Ham a swing of five per cent — enough to put Labour comfortably in power if there were a general election. When the results were announced the jubilant Socialists started yelling the Red Flag . . . a song which one would have thought less popular after its recent Hungarian re-orchestration. There seems little doubt that Labor will triumph at the next election unless the present trend is drastically reversed, and

then we shall indeed see "socialism in our time", with all that this implies — re-nationalization of steel, nationalization of all key industries and a capital levy on all fortunes over £20,000.

The one thing that might save the government is a tardy awakening to the importance of public relations. Time and again we see the Tory case going by default, not only at home but abroad, for the simple reason that not one member of the government seems able to produce a single phrase that will make the man-in-the-street sit up and take notice. During the darkest days of the war, when Sir Winston Churchill was almost literally fighting the entire battle with his voice, I wrote: "We had nothing to fight with but words; Churchill mobilized the English language." (One of the great moments of my life was when I was told that Churchill had read that phrase and often quoted it.) But now there is nobody to mobilize the English language, no Churchill, no Pitt, no Burke, not even a shadowy edition of Lloyd George.

The apparatus of publicity is in the hands of a certain Dr. Hill who made his reputation on the radio some years ago by telling us how to cure constipation; if somebody could inform Dr. Hill how to cure the mental edition of this distressing complaint, Britain would breathe



Dr. Hill: Mental constipation.



Folded: Victim of TV?

more easily. The latest example of incompetence was afforded by the Queen's visit to the Home Fleet at Invergordon. This was a truly Elizabethan occasion; it could . . . and should . . . have been trumpeted abroad. But instead of trumpets there were tin whistles that came in off the beat — eighteen hours off the beat, to be precise. There was a glittering collection of star correspondents, there were . . . presumably . . . telephones and post offices and there might even have been an odd helicopter hovering about, but it took eighteen hours to get the stories to London! You remember the old jingle . . . "because of a nail a horse was lost, because of a horse a leader was lost, because of a leader a battle was lost, because of a battle a country was lost." Today that could be rewritten. "Because of a comma a sentence was lost, because of a sentence a reader was lost . . ." You will have to finish that one for yourselves.

Meanwhile, in spite of all these troubles, London dances. The red carpets are out again in Grosvenor Square; at one end of the social scale the night clubs are packed, at the other the little "skiffle" groups make rowdy music in the pubs. A new colour has brightened the scene . . . a vivid electric blue which the Teddy-boys have adopted for their jeans. When you see them walking down Oxford Street you think they're wearing pyjamas. The shops have gone gay too. Fortnum and Mason's, the elegant and exotic store opposite the Royal Academy, has suddenly covered its walls with flights of *papier mâché* doves . . . not that wicked Picasso bird . . . but charming, English, highly conservative doves, fluttering up to the blue skies of June, and drawing gasps of Cockney delight. Let us take it as a happy omen.

I was offered £15 for my stall for the last night of "The Entertainer", the play which John Osborne wrote for Sir

Laurence Olivier. (It has just finished a limited season of six weeks at the Court Theatre). Such a sum would not be so remarkable for a smash hit in New York, but for London it was staggering.

Why this offer? Because word has got around that something extraordinary was happening in this tiny theatre, which is situated far from the heart of theatreland, in Sloane Square. True, the critics had been more than kind, and Larry would draw the crowd even if he stood up and recited the alphabet. But there was more to it than a great star in a new play by an up-and-coming dramatist. People were coming out of the theatre in a sort of daze, as though they'd had some great religious experience; they stood about on the pavements, hardly speaking. And then . . . if they had any sense . . . they went round the corner to the King's Head and had a stiff Scotch and soda.

Hence the offer. The scramble for seats became almost funny; there were even cases of young women who threatened to break off engagements if their fiancés could not get them into the Court. As you may have gathered, I didn't take the £15; I held onto the ticket. And thankful I am that I did. The play shows Larry as an ageing, failing vaudeville artist. It is a portrait of pitiless integrity, cruel, crude, and yet lit with the saving glow of pity. At the end of the second act there is a scene which will live in the memory of all who saw it as one of the supreme theatrical moments of their lives. It is just after Larry has heard of the death of his son. Half drunk, he sinks onto the stage with his head almost in the footlights, and tries to sing a hymn, and . . .

But no. These things can't be described. You must take my word for it that if and when this play is revived, you would not regret it even if you paid that £15 for a stall.



Olivier in "The Entertainer."

Insurance

by William Sclater

Retail Store Liability

STOREKEEPERS' comprehensive inclusive liability insurance is a policy form that is of particular interest to the smaller retail stores in general. Its purpose is to meet the storekeeper's legal liability to the public for bodily injury or property damage which might be suffered on or about the premises.

Unsuspected sources of hazard lurk on or about most retail store premises. A playful or experimental child can tug at some key object and cause a display to topple, injuring someone. Objects can fall from shelves. A noon thaw on a sunlit roof can set a gutter drainage pipe flowing unexpectedly and create an unsuspected ice hazard to passing pedestrians on the sidewalk. A shopper with an eye to something on a high shelf may fall down a trapdoor back of a counter which leads down to basement storage. It may have been partially concealed by other merchandise on the floor and inadvertently left open.

Liability is a form of insurance that needs careful study to come to any sound appreciation of just what may or may not be covered.

Casualty underwriters, devising the original policy wording, included three words that are still important in many policy forms today. These were "caused by accident." They had three purposes in mind.

First they wanted to make it abundantly clear that any injuries covered by the liability insurance must be due to sudden, unexpected events, identifiable in time and place. The second purpose was to ensure that the policy provided no protection for "intentionally caused harm" under any circumstances. This covered situations where there might be an intent to cause harm and where harm could result from the omission of a safeguard or act when it was known that harm could be a possible result of such an omission. The third reason was to permit the use of the word accident, with its modifications, in the wording of the policy in "Notice of Accident" and "Limits of Liability" and other provisions.

Following World War II and consistent with the general trend towards broader,

more comprehensive coverage forms, a change in the wording of liability policies was endorsed by the U.S. National Bureau of Surety Underwriters. It stated: "1—The words 'and caused by accident' are deleted and elsewhere the word 'accident' is amended to read 'occurrence'. 2—'Occurrence' means an event, or continuous or repeated exposure to conditions, which unexpectedly causes injury during the policy period. All such exposure to substantially the same general conditions emanating from each premises location shall be deemed one occurrence."

It should be observed that in the new phraseology the word "event" connotes a "time and place" identification. The words "unexpectedly causes injury", which modify both "events" and "exposure", ensure there will be no coverage for "intentionally caused harm."

Summarizing the application of the new wording to bodily injury liability coverage, it could be said that the underwriting attitude is that any injuries "expected" by the insured are not properly the subject of the insurance coverage.

Property damage wording is something else again, where the replacement of "caused by accident" by "occurrence" is concerned. Some underwriters flatly refuse to consider it. Others will write coverage on an "occurrence" basis provided they also write their own definition of "occurrence" into the policy. Many underwriters are dubious about extending the property damage cover to that extent, in case they become involved in claims for injury in such cases as patent infringement, violation of copyright and other intangibles. Court decisions are still controversial on this matter.

Rates for the Storekeepers' Comprehensive Inclusive Liability coverage are very moderate. A premium of \$9 per annum will provide a policy with \$10,000 limits for inclusive bodily injury and property damage in the case of a cigar store, for example, where there is no food sold and there is about 20 feet of street frontage with property depth of 50 feet for a total of 1,000 square feet. For \$25,000 the rate would be an additional 10% or 90 cents per annum.

Joy Lafleur

CONTINUED FROM PAGE 17

"Where've you been? I haven't seen you around the CBC for a few weeks." Joy replied, "I pawned my things, until I only had one pair of formal evening slippers to wear. Darling, you wouldn't expect me to wear formal shoes in the *daytime*, would you?" That's Joy—the grand gesture counts."

In a four-hour interview recently she proved to be a fascinating monologist. Her voice, a kind of husky whisper in a rain barrel, is a hypnotic instrument. Her speech is a racing torrent. It is fun to watch her. She pantomimes. She mimics, using every bit of her five-foot-six-inch body. She flails the air. She bellows. She whimpers and whinnies with exuberant laughter.

She mocks herself maliciously. "I dyed my hair pitch-black—it's usually a vague reddish color—and I rushed onto a TV set for a role in Hollywood the other day," she recalled. "A TV engineer, not knowing I was listening over the open inter-com set, yelled, 'Get a load of that elderly Vivian Leigh!'" Yet she treasures being a professional craftsman. "Ethel Barrymore, after watching me perform, cried out, 'Your technique is terrible, but you know how to displace the air, my dear!'"

This human maelstrom first began to displace the air in Montreal, where she was born Joy McGibbon. She was the daughter of Philip McGibbon, a linguist who travelled throughout Europe with the Intelligence Service. Fluently bilingual, she was educated in Miss Gascoigne's private school in Montreal, in Germany and France, and at 16 studied acting at Madame Athene Roulambouger's in Paris.

She returned to Montreal to star for eight years in Martha Allan's Montreal Repertory Theatre and to marry a Montreal barrister, Henri Lafleur. She has since divorced. She is also the mother of 22-year-old twins, Anthony and Henri Lafleur, who are in their second year of law at McGill University.

As an actress, she was typed to do Noel Coward comedy leads, akin to Sorrel in *Hayfever*—usually brittle sophisticates with a saturnine wit. However, she starred in Eddie Dowling's production in Chicago of Fridolin's first play, *St. Lazare's Pharmacy*, and played Queen Gertrude in a CBC-Radio school broadcast of *Hamlet*. In Toronto radio, she earned her bread and butter for four years in the soap opera, *The Craigs*; she was the villainess, Rinette Marchbanks, a Jezebel "other woman" bedeviling the heroine, played by Dianne Foster. When the cast once made a personal appearance in Guelph, Ont., the women of the audience booed and whistled ferociously at Miss

Lafleur, heckling, "You leave our heroine alone, Rinette Marchbanks! She's entitled to be in love, without *you* horning in!"

Miss Lafleur feels somewhat bitter about the closed shop she found in the high places of early Canadian TV. In 1953, she was already launched in New York television, having played five leads with such stars as Jack Palance, Richard Kiley and Wendell Corey, directed by *Studio One's* Worthington Miner. When she heard that CBC-TV producers were seeking Canadian actresses, she immediately returned to Toronto.

"Well, I responded to that SOS bugle call, and I came roaring back to Canada, because I'm aggressively Canadian at heart," she recalls. "So what happens? I sit on my fanny in mid-summer for four months. In that time, I never got a single call! I found a completely closed corporation in Toronto TV. A coterie of about 20 formed a cheap, silly club. The directors and their wives, or the producers and their 'ideals', resented intruders of my kind. Also, I was paid a third of what I could earn in New York—I got \$325 for the lead in a single hour-and-a-half drama. I was so hard up, I was down to 15c I found in an old suitcase, for a beer. I told the bartender, who was also a bookie, I'd forgotten to bring my purse, but could he bet \$2 on the cuff on his favorite horse? My horse brought in \$84, and I high-tailed it out of Toronto, quite fed up."

Miss Lafleur has since done handsomely, commuting between New York and Hollywood. She has appeared in the films, Lionel Shapiro's *The Sixth of June*, and *Twenty-Four Steps To Baker Street*; in the original "Kraft Theatre" version of *Patterns*; in 13 of the NBC-TV *Matinee Theatres*; and such TV shows as *Jane Wyman Presents* and *Ford Theatre* with Joan Fontaine.

She appears in the U.S. under a *nom de plume*, coined by Worthington Miner. When he first auditioned her, he exclaimed, "I refuse to use an actress with a name so blatantly bogus as 'Joy Lafleur'. It sounds like a strip-teaser." He finally conceived her new stage name, Victoria Ward. "But, darling, that sounds like a hospital annex," protested Miss Lafleur. Miner has since comforted her, "Oh, well, you can grow old gracefully in Victoria Ward."

As soon as Miss Lafleur signed to perform at Stratford this summer, her agent in Hollywood informed her it would mean losing profitable roles in two movies—*Witness For The Prosecution* and Arthur Hailey's *Flight Into Danger*. But she has no regrets at all.

"I'm tremendously eager to make this Gertrude a living, breathing woman," says the turbulent Miss Lafleur, aglow with fervor.

Algeria

CONTINUED FROM PAGE 11

colonization in earnest. For over a hundred years Frenchmen have gone to Algeria to farm, to teach, to govern and to build and in their minds they have travelled not to another land but merely across the Mediterranean to another department of France. This feeling of unity between France and Algeria is a deep political fact and the water that separates these departments from the main body of France is for most Frenchmen only a Seine grown wide.

French policy in Algeria, however, was not entirely clear or consistent even down to very recent years. For just over one million Europeans living in the northern departments of Algeria were French citizens and they dominated the local economic and political life. The Algerian Government comprised a Governor-General with two electoral colleges — equal in the numbers of members — one for Muslim representation and the other for the Europeans. Certain matters such as justice and education were reserved to the direct administration of Paris and the remainder were vested in the Governor-General with limited powers of legislative initiative in the two Algerian chambers.

At the same time Algeria has its own representatives in the National Assembly in Paris — thirty out of a Chamber of 619. Already in the nineteen twenties and thirties, the spark of Arab nationalism that touched off patches of political flame throughout the Middle East, had leaped across the North African possessions of France. Tunis and Morocco were protectorates, both with ancient and operating traditions and where the French had come amid psychological and political conditions that presumed only an interim imperial role. Nevertheless, in all three the new nationalism of the Arab-Islamic world made its impression, but with this difference: that while in Tunisia and Morocco there were institutions and personnel to absorb into an existing pattern the impact of Arab nationalism and convert its energies into local constructive purposes, in Algeria no such social and political setting seemed to exist to anything like the same extent. The French never prepared the Algerian Muslims for true regional self-government because what there was of Algeria was largely European-made and for a hundred years and more these romantic lands had been considered a departmental extension of France itself.

The new French constitution of 1946 and further legislation in 1947 largely perpetuated the pre-war concepts except for the important definition of Muslims as French citizens where before they had been Algerian subjects of France. But this concession came late in the day as Arab nationalism flowed like a torrent through

the disorderly paths of the post-war years.

At the same time France undertook to provide an entirely new post-war concept upon which to found its empire. For the French Union came into being in 1946 as France's answer to the centrifugal anti-colonial forces that everywhere were making their appearance. The Union was to be a kind of British Commonwealth — moulded to a French pattern — and it comprised the French Republic (including Algeria), the Overseas Departments and Territories and the Associated States (Indo-China). Unlike the Commonwealth however the Union was to have permanent machinery translating symbols into action, for there was to be a High Council with representation from the Government of the Republic and the other governments, and an Assembly half-filled from metropolitan France and half from the other members of the Union.

The President of France was the President of the Union, and the Union's function was to share in the common defence and to engage in general advisory activities — with responsibility for co-ordinating defence in the hands of the Republic itself. The Union met not in Paris, but at Versailles and since 1947 its meetings may be said to have no real impact on basic French policy or administration. For North Africa the Union proved meaningless. Tunisia and Morocco were not included and Algeria was already diluted by its presumed metropolitan status.

Hence Algeria, viewed in the perspective of a comparable development in the British Commonwealth, has suffered not only from the limitations imposed on self-government by the theory of "departmental" status, but also it was not helped very much by the grandiose project of the French Union which somehow was unable to bridge the gap between the death of empire and the birth of fellowship.

Yet underlying the Algerian problem were two other factors of importance and that marked it off from similar solutions observed in the Commonwealth and even in some parts of the French Union itself. First and foremost, was the fact that there were over one million Europeans in Algeria who had been there for three, four and five generations and were now as much a part of that land as the Muslims themselves. No solution was possible that did not preserve, if not their political ascendancy, at least their social and economic role as the very spearhead which made modern Algeria exist at all. And the second fact was that there continued to be a very great disproportion between the living standards of the white European and the mass of the native population due to the nature of employment opportunities in the cities and towns and the low productivity in agriculture.

At least one of these facts distinguishes sharply the difficulties of France and Algeria from any comparable experience with

the newly emerging members of the Commonwealth. For it must never be forgotten that in India, in Pakistan, in Ceylon, in Ghana, there do not exist substantial white minorities with a vested interest based on long economic, social and political connections to the point where for them the ex-colony is "home". But for the French settlers Algeria is home and the Commonwealth analogy here is closer to Kenya and South Africa than it is to Ghana, Nigeria, Malaya or India.

Meanwhile blood and treasure daily pour out over the Algerian plains. Four hundred thousand French troops, perhaps more, are unable to maintain order while villagers and townsmen that dare show a friendly face to the French must now live in fear of retaliation from the Front de Liberation Nationale (FLN), the extreme nationalist party and presumably the largest in numbers and responsible for most of the present guerilla activity. The other group, the Mouvement National Algerien-



Low standards of native living.

en (MNA) is neither so militant nor so committed to terror and therefore among the French dilemma in any search for answers is the question: with whom shall France deal?

Yet the French themselves have really not made up their minds on the most fundamental of all the issues, namely, is France prepared for an "independent" Algeria? The position of the French Government is that first there must be a cease-fire and a restoration of order which then will be followed by free elections. Indeed ex-Premier Guy Mollet had promised that within three months after the cease-fire, elections were to be held and France would be prepared to have these elections supervised by representatives of friendly democratic countries. And with representatives elected accordingly France then would enter into negotiations to settle the future of Algeria — and here France hopes at least for federation or even better terms to preserve some ascendancy. The FLN, however, insist on negotiations now and offer the European French in Algeria integration into an Algerian republic or the option of keeping French nationality under some appropriate legal protection.

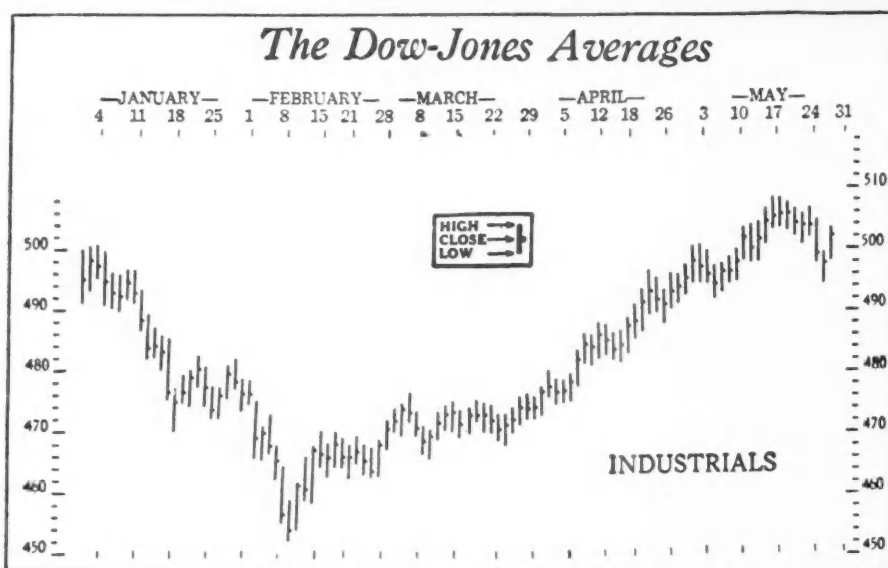
Into this impossible tangle of history

and explosive emotions the United Nations has intruded with diffidence while France's Nato allies have maintained a respectful distance. Only the United States sometimes seems to suggest a vague sympathy with the rebels although Mr. Lodge at the UN General Assembly last February was very careful not to embarrass Paris at this time. Yet the truth is that France's Nato commitments have been weakened by withdrawals to support pacification in Algeria while the French treasury totters.

A year ago last May Mr. Nehru offered a five-point program which included (1) declarations by both parties to end the violence, (2) the acceptance by France of Algeria as a national entity whose legal personality must be recognized by the French Government, (3) equality for all peoples in Algeria, (4) recognition by all Algerians that Algeria is the homeland of all its residents including the Europeans, and, finally, (5) direct negotiation in accordance with these principles and the UN Charter. But it is not difficult to see why France could not easily accept Mr. Nehru's program. For it would mean accepting as a *fait accompli* the existence of an independent Algeria and liquidating forever the concept of Algeria as a trans-aqueous segment of metropolitan France.

Moreover, the French have acquired another vision which imagination and logic may drive them to explore before they yield in the end to the leech of terror. This is the vision of Eurafrica — the idea that Tunisia, Morocco and Algeria, together with French West Africa and French Equatorial Africa, can be linked in some grand design in which the capital and skills of Europe will join to lead the peoples of Africa to new levels of economic well-being. In this dream, co-operation is more important than formal independence and with the European Common Market designed in part as a means of providing German capital for French African needs, the program may not be as remote or visionary as it might have seemed a few years ago.

Yet the burning sands of the Sahara and the burning words of Radio Cairo provide few oases for negotiation. Algerian Muslims with Nasser's cruel and cynical guidance have chosen the short and deadly road to independence rather than the longer path to an accommodating sovereignty. Nevertheless, the French must find wiser counsels than those which would pour troops and violence over the plains and mountains and deserts of Algeria. In the end the French may have to trust the best Muslim leaders they can find from the most effective of the nationalist parties and if they seem too young, untutored and violent, and if the Europeans in Algeria cannot escape this fate, then impossible choices will have to be made between an Algerian Apartheid, a European withdrawal or a fight to extermination.



CONTINUED FROM PAGE 7

the summer and prices tend to sag — the "summer doldrums." There have been exceptions but they occurred during hectic oil, gas and base metal booms and were largely confined to a particular section of the market.

Stock market averages and indices are getting within sight of historic highs. Many investors will want to be out of the market so they can wait and see which way prices move. If the Dow Jones averages are broken on the upside, many will probably jump back in expecting a further strong rise. Some analysts, however, predict a sharp downturn as the averages approach their old highs. In any event, a withdrawal of money from the market will tend to ease prices downward as a growing number of investors withdraw to the sidelines.

The market looks ahead. What prices are doing now reflects the market's appraisal of year-end conditions. The fact that the generally expected softening of economic activity probably will not occur in the second half has already been discounted in stock prices.

More particular points are these:

Industrial, gas, oil and pipeline stocks

have had an almost uninterrupted rise for several months. There have been technical reactions, but not extensive ones, as shown by T.S.E. bar charts. This rise has, accordingly, reduced dividend yields. Investors are noting that bond yields and terms, on the other hand, are about at their optimum. Many investors can be expected to switch from low-yielding medium-grade stocks to high-yielding, high-grade bonds.

Base metals, the other major market segment, have not shared in the industrial-oil boom. Nor, in the opinion of market observers, are they apt to for a while. The possible exception, however, is in the speculative field. There will probably be sporadic "area" activity among speculatives during the summer with an increase in activity this fall. The big mining companies will probably ease.

Softening metals prices are a big factor here. Copper, declining for some time, may have bottomed out but there are signs still lower prices are in the offing. Nickel threatens to be in over-supply. Zinc has slipped and demand for lead has been disappointing. Lead prices have also slipped. Uncertainty over U.S. stock-pile purchase and barter programs will

likely be a depressing factor for some time. The reduced metals prices will adversely affect profits of major Canadian mines.

These factors do not mean there is no place in today's market for the short-term investor or the speculator. There is. But he will have to pick and choose his situations—and keep an eye out for profits to be picked up when prices decline as well as when they rise. Long-term investors can probably afford a more relaxed approach, but they will probably miss profit opportunities.

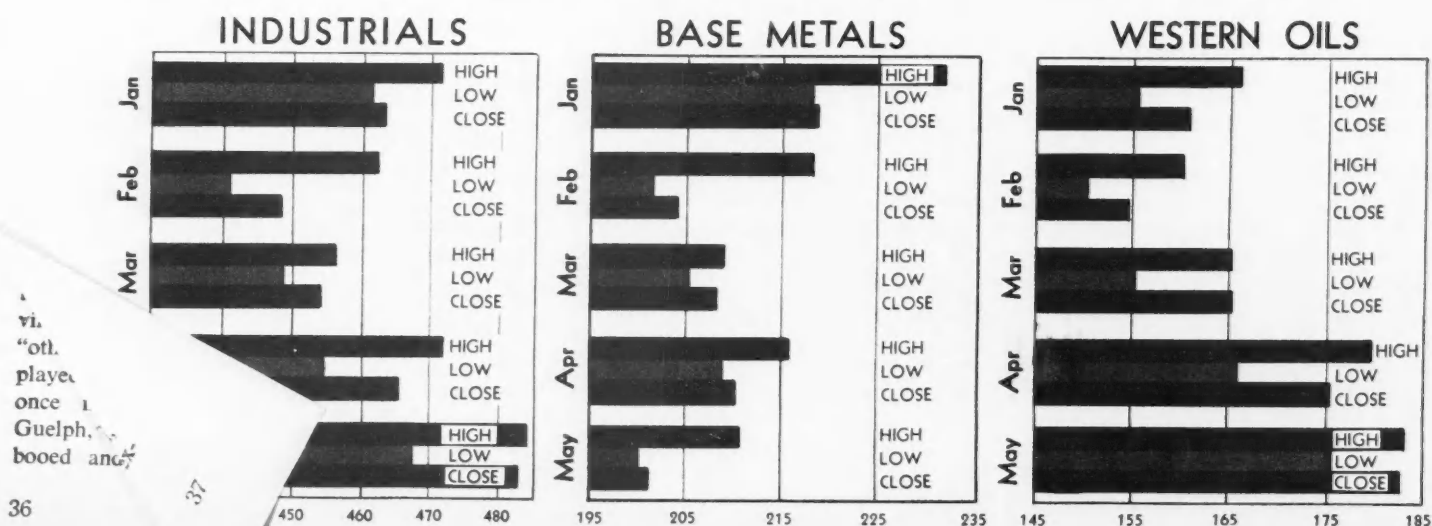
Take the classic example of what happened after President Eisenhower's heart attack in September, 1955. In New York, the Dow Jones averages dropped 57 points by October, gained 57 points by December, dropped 42 points in January, 1956, climbed 66 points by April, dipped 60 points by June, regained that loss by August and so on to the present. The point is, the averages have travelled several hundred points yet are still relatively close to where they were in September, 1955.

Market analysts refer to this pattern as "seesawing." The part that interests traders and investors is that every one of those several hundred points of change is an opportunity for profit. Market profits come when prices change—either up or down.

It is probable that if there is neither a major breakthrough on the upside of the Dow Jones averages or an extensive market drop, this seesawing pattern will continue. Nimble traders can use it to advantage—"buy 'em when they're cheap and sell 'em when they're dear."

To be successful with this policy, however, the trader must be steel-nerved as well as nimble. He has to be aware that most investors feel a great pressure to sell when prices start to slip. But this is very often the time to consider buying. The opposite is also true: When public sentiment indicates a trader should buy, as prices are rising, he quite possibly should sell instead.

That's the way the pros do it.



Chess

by D. M. LeDain

MANY GREAT chessmasters have come and gone in the last two centuries but none has equaled the impression made by Paul Morphy, who was born one hundred and twenty years ago this day (June 22, 1837) at New Orleans. Morphy fused intuitive theoretical understanding, far ahead of his time, with a glowing imagination. The naturalness of his style has been compared to that of Mozart in music, with economy the lodestar for both.

White: P. St. Amant, Black: P. Morphy (Paris, 1858).

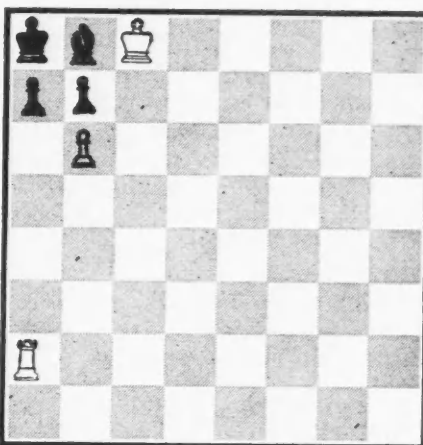
1.P-K4, P-K4; 2.Kt-KB3, Kt-QB3; 3.B-B4, B-B4; 4.P-B3, Kt-B3; 5.P-Q4, PxP; 6.PxP, B-Kt5ch; 7.B-Q2, BxBch; 8.KtxB, P-Q4; 9.PxP, KKtxP; 10.Castles, Castles; 11.P-KR3, Kt-B5; 12.K-R2, KtxQP; 13.Ktx-Kt, QxKt; 14.Q-B2, Q-Q3; 15.K-R1, Q-KR3; 16.Q-B3, B-B4; 17.K-R2, QR-Q1; 18.QR-Q1, BxRP! 19.PxB, R-Q6! 20.QxR,

KtxQ; 21.BxKt, Q-Q3ch and QxB wins.

No. 169 is Morphy's only known problem, composed at the age of ten!

Solution of Problem No. 168 (Jespersen). Key, 1.B-B3.

Problem No. 169, by P. Morphy. White mates in two. (3+4)



Puzzler

by J. A. H. Hunter

CHARLES was through with the paper. He'd read the comics, he studied the sports page, he'd even glanced at the headlines of world news. And now he was doodling vaguely on the margin of that front sheet.

"That's funny about all our ages," he remarked after a while. "Yours is in the same proportion to mine as mine is to one less than our ages together."

Diana looked up in surprise. Her husband doesn't generally pay much attention to figures — not that sort! "What of it?" she asked. "A lot of fractions with all the odd months!"

Charles smiled. "I mean the full years, of course," he said. "But the really funny thing is that the same applies exactly to the ages of the two kids."

I guess that was funny. But what do you make of Diana's age? (51)

Answer on Page 40.

Don't Mention It!

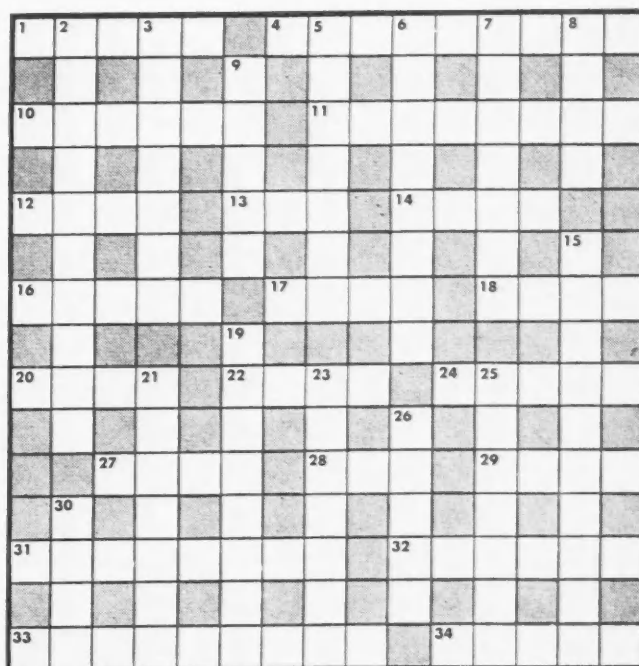
by Louis and Dorothy Crerar

ACROSS

- 1 This bird wrote of men, great and small. (5)
- 4, 21, 32 Darn it! If you're in a hurry, don't talk! (5, 4, 7, 6)
- 10, 25 He certainly wasn't the stooge in the act. (6, 7)
- 11 See 7
- 12 How I travelled to fame? (4)
- 13 Yet Washington's belief cloaked one. (3)
- 14 Pepper changes flavor when added to it. (4)
- 16 He makes the C.P.R. 'um, chief. (5)
- 17 You will get it in a twinkling when 29 comes back. (4)
- 18 Ben Jonson wished to be toasted only with these. (4)
- 20 This one is on us. (4)
- 22 Did Trollope write this part of "Barchester Towers" to entrance? (4)
- 24 See 27
- 27, 24, As it were, in a manner of speaking. (2, 2, 5)
- 28 In short it's no State for one's well-being. (3)
- 29 See 17 (4)
- 31 This is certain to blaze. (4-4)
- 32 See 4.
- 33 The card had teeth that did, when rattled. (9)
- 34 A pert way to 24. (5)

DOWN

- 2 Gallery where one is utter-ly quiet? (10)
- 3 The 10, 25 hasn't any, where speech is concerned. (7)
- 5 It's clear I'd take part in the event. (7)
- 6 The Forsyte stories had more for the Indian. (8)
- 7, 11. This may have glitter, yet "Bright is the ring of words" said Stevenson. (7, 2, 6)
- 8 13 turns to bear a cross of holly. (4)
- 9 A quiet sort of life for an artist? (5)
- 15 This store has leave, perhaps, to start, though not without quite a bit of comment. (10)
- 19 She consorted with George II and George IV. (8)
- 21 See 4.
- 23 They use such picturesque language! (7)
- 25 See 10.
- 26 Shut up! They know when to. (5)
- 30 Be 9! (4)



Solution to last puzzle

- | | | |
|--------------|---------------------------------------|---------------|
| ACROSS | 22 Crawl | 4 Hibernate |
| 1 Brutish | 25 Overset | 5 Flung |
| 5 See 31 | 27 Healthy | 6 Rebirth |
| 9 Strop | 28 Swiveller | 7 Aerials |
| 10 Blueberry | 29 Pinto | 8 Dryden |
| 11 Fritter | 30 Sugared | 15 Death-trap |
| 12 Garbage | 31, 1D, 5. Put your best foot forward | 17 Playgoer |
| 13 Oread | | 19 Opening |
| 14 Add | DOWN | 20 Masseur |
| 16 Hose | 1 See 31 | 22 Coal pit |
| 18 Loam | 2 Upraise | 23 Antonio |
| 21 Era | 3 Imputed | 24 Houses |
| | | 26 Tiled |

(418)

Editorials

The Winner: Parliament

Now IT is the next election that becomes important. We have an entirely new political situation but it still has not jelled. It is like a baseball game that is tied in the bottom half of the ninth inning—a game that goes on with most of the tied players, plus a few substitutes, struggling towards a climax that none can foresee.

It would be a hardy prophet indeed who would try to predict now the political results of the next few months. This has been a bad month for prophets. But certain effects must flow from the causes that became evident on June 10.

The one certainty is that the biggest winner in the political struggle has been Parliament. The voters of Canada may have marked their ballots in favor of this or that party, but consciously or unconsciously they voted in such a way as to restore the authority to the Commons that had been taken from it by a Government which had become contemptuous of parliamentary procedure. It was a splendid demonstration of the corrective power of democratic processes—a chastening of the cynics who have lost faith in the collective judgment of the individuals who make up the mass of a democratic state. No matter what shifts in party alignments may occur in the months to come, the health of Parliament has been restored; the citizens themselves have administered the purge that must drive out the poisons.

The voters also destroyed an image and a myth. The image was that of the wise father who always knew what was best for his rather stupid and sometimes wayward children. There is no more magic in Papa Louis. The myth was the Liberal doctrine of indispensability. Even C. D. Howe could be defeated without the heavens falling and the earth cracking.

The fact is, of course, that the voters showed uncanny judgment in their assessment of the Liberal cabinet ministers. The men they defeated were either nonentities or has-beens; Mr. Gregg, a fine gentleman and a gallant soldier, was an indifferent minister; so was Mr. Winters; great as Mr. Howe's contributions to Canada had been, he had become more of a liability than an asset during the past three years; Mr. Lapointe could never be a good minister; the defence job was too big for Mr. Campney's limited abilities; and so it went. But the voters did not reject the three best minds in the Liberal

party—Mr. Pearson, Mr. Sinclair and Mr. Martin. These three should be able to reshape a sinewy, more truly Liberal party. Mr. St. Laurent had best retire as quickly and gracefully as he can, along with Mr. Gardiner. It is a pity they cannot take Mr. Pickersgill with them—although a period in opposition could teach him wisdom to go along with the intelligence he already possesses.

For the Conservative leader, Mr. Diefenbaker, the June 10 result was a massive personal triumph. But no one can say at this time what proportion of the Conservative success can be attributed to Mr. Diefenbaker's personal appeal, to a swing towards Conservative thinking or to the strength of the anti-Liberal opinion.

Finally, the election surely demonstrated the disruptive influence of splinter parties. But here too the final result could be good. The splinters may have some temporary tactical advantage, but they are actually in danger. Historically, maverick groups tend to disappear when two big parties, almost evenly balanced in power, must manoeuvre for domination of the Commons.

That First Step

THE BIG "if" in the tortuous efforts of the UN disarmament sub-committee to obtain a cautious "first-step" agreement is the sincerity of the Russians. If all the Russians want is a period of breathing time, the disarmament negotiations will not go much beyond that first step. With their skill in the use of delaying tactics, the Soviets could keep the preliminary dickering going on for two or three years without letting it come to a final stop. If they are convinced that the piling up of new weapons can only lead to global disaster, the first step will lead to a solid and responsible settlement of differences between East and West. But the history of the past two decades makes it difficult for us to accept the latter possibility.

The only reasonable expectation, until the Russians prove their good intent, can be that Khrushchev and his gang want time to settle their more serious internal problems. The danger is that the United States, with its own problems, and budget-strained nations such as Britain and France, will nibble too eagerly at the Kremlin's peace offerings.

ANSWER TO PUZZLER

Diana was 25 years old.

Little Drops of Water

TO LOOK at a map of Ontario is to marvel at the vast number of lakes and rivers with which the province is blest. Yet within the next ten years the problem of water supply will become acute in southern Ontario. It is no secret. It is why the provincial Government some months ago formed the Ontario Water Resources Commission. But this month it became obvious that the Commission was not going to be able to do its job properly. It must work, necessarily, with the provincial Department of Planning and Development—and the Department is ducking its responsibility, partly because it lacks competent staff and largely because it shudders at the cost of the projects that the Commission must propose, if it is to be honest and useful.

More than half the immigrants coming to Canada settle in Ontario. The provincial authorities expect between 175,000 and 200,000 people to move into Ontario in search of jobs and homes this year. The people will attract new industries, and the industrial growth will attract new people. The basic resource for both is water—to use in the home and in the factory. And this resource is being either wasted or rapidly depleted.

Many of the rivers are little more than open sewers. The Grand, the Thames, the Ottawa, the Credit are filthy with sewage or industrial waste along miles of their courses. Great stretches of beaches along Lakes Ontario and Erie are no longer safe for bathing. The water tables in the heavily industrialized southwest are dropping steadily and alarmingly. Some communities have already started exploring the possibilities of transporting water from one of the Great Lakes.

The pollution can be stopped. Progressive industries have largely solved the problem of their wastes. But scores of municipalities must build new sewage disposal plants—and these would send tax rates soaring. The municipalities need help, both to build the plants and to acquire new water supplies. This help the Water Resources Commission was designed to provide. Where is the money to come from? Ontario this year had to increase provincial taxation. There is no doubt that there must be a more equitable sharing of tax revenue between provincial and federal governments. But meanwhile, the Commission could make a start on justifying its existence.



The scene: The YACHT CLUB

The cigarette: MATINÉE

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